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'No Clear Plans' Among ASEAN Leaders on PRC-Taiwan Issue

BK1303010396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 12 Mar 96

[FBIS Translated Text] The Foreign Affairs Department has admitted that the ASEAN region leaders have no clear plans with regard to the issue between Taiwan and China. According to Foreign Undersecretary Rodolfo Severino, there are no plans among ASEAN leaders to respond to the crisis, particularly in the Philippines. He added that there is a strong possibility the China-Taiwan conflict will be discussed next month during the ASEAN senior officials' meeting.

[Begin Severino recording, in English] I do not expect war to happen, and I do not ... [pauses] I hope that it does not happen. But the problem with this kind of situation is that the danger of miscalculation is always present, and the more people do things, the more the chances of miscalculations are. [end recording]

Planned ASEAN Satellite Channel Details Reported

BK1003100896 Kuala Lumpur SUNDAY STAR in English 10 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore: The ASEAN satellite channel, approved by the ASEAN Ministers Responsible for Information Conference here on Thursday, is likely to be set up in Malaysia based on the advanced infrastructure available in the country.

The channel, meant for promoting the region, will be a 24-hour English service and is also likely to be privatised and made available to all satellite operators.

While a solid framework for the channel is yet to be formulated, Malaysia is expected to take the lead role in realising the proposal, which it made at the last conference in Manila in 1993.

Information Minister Datuk Mohamed Rahmat said he had offered Malaysia's services to member countries and would be meeting officials of Binariang Sdn Bhd, the Malaysian company which owns the Measat-1 [Malaysian East Asia Satellite-1], to present the idea.

"Although the location of the transmission centre has yet to be decided, Measat-1, which has the widest coverage in the region, would be the best facility as satellites of other member countries are domestic in nature.

Mohamed said privatisation would be the best option for the channel as some member countries might not be able to contribute if it was a joint venture among ASEAN governments.

He said since Measat-1's coverage reached only the Middle East, the ASEAN channel could be distributed on cable to other satellite services in Europe and the United States.

To complement the ASEAN channel, Mohamed also called for more ASEAN publications in addition to the ASIA TIMES which is based in Bangkok.

ASEAN ministers are keen to see the channel set up by the next conference in Manila next year.

Japan

Japan: MOF 'Worried' About Possible U.S. Absence From APEC Meeting

OW1203140096 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Mar 96 Morning Edition p 5

[FBIS Translated Text] While the 16-17 March meeting of finance ministers of the Asia-Pacific Economic Cooperation (APEC) forum in Kyoto is nearing, the Ministry of Finance [MOF] is worried about two long-smoldering problems in Japanese and U.S. parliaments.

One of them is the budget battle between the Clinton administration and Congress, because of which an official decision has yet to be made on the attendance of Treasury Secretary Robert Rubin at the APEC Kyoto meeting. Japan considers U.S. participation in the meeting important to make the conference fruitful. At the planned meeting between Rubin and Finance Minister Wataru Kubo on 16 March, the MOF hopes to receive U.S. endorsement to the dollar's continued strength against the yen and the promotion of Diet debate on the issue of liquidating failed housing loan companies (known as jusen).

Although the U.S. provisional budget expires on 15 March, Washington has not found a way to settle the budget argument. This critical situation in the United States makes Rubin's trip to Japan uncertain. Previously, the budget battle forced President Bill Clinton to cancel his planned visit to Japan to attend the APEC Osaka meeting held last November. It is feared that Rubin's trip may be canceled for the same reason.

The other problem is the stalled Diet debate on the jusen issue. The MOF hopes the Diet stalemate will be broken before the Kyoto meeting. However, the opposition New Frontier Party continues its sit-in at the Diet in protest against the government's jusen liquidation plan. It is uncertain whether the MOF will be able to concentrate on APEC finance minister talks in such a situation. Finance Minister Kubo, who will host the Kyoto meeting, will likely continue to be annoyed by these and other problems, including the tensions between China and Taiwan.

Japan: Hashimoto Urges Emergency Steps for Continued Use of Base

OW1303121496 Naha OKINAWA TIMES in Japanese 13 Mar 96 Evening Edition p 1

[FBIS Translated Text] Tokyo — At a House of Representatives' Foreign Affairs Committee session on the morning of 13 March, Prime Minister Ryutaro Hashimoto, who now temporarily serves as foreign minister, was asked about some land leases for the U.S. Sobe Communication Site (known as elephant's cage) that expire on 31 March. He said: "I am aware that it has become very difficult to complete all necessary procedures [for extending the leases] by 31 March." However, he stressed the need to continually provide the facility to the U.S. forces in accordance with the Japan-U.S. security pact, saying: "The government will have to take steps for the emergency use of the land." He did not specify what measures the government would take, but merely said: "The government is studying what steps to take while assuming various cases." He declined to specify the measures, claiming that a ruling had yet to be handed down in the court dispute over the proxy signing of documents needed to extend leases for U.S. bases. Hashimoto was answering questions from Saneyoshi Furugen of the Japan Communist Party.

The proxy signing trial at the Naha branch of the Fukuoka High Court was concluded on 11 March after the court questioned Okinawa Governor Masahide Ota. A ruling is scheduled to be handed down on 25 March. Because this makes it impossible for the government to complete necessary procedures for forced use of land by 31 March, the government is expected to apply to the prefectural land expropriation committee for a 6-month emergency use of land.

Asked whether the government would return the land to landowners if it loses its right to use it, Hashimoto replied: "I will decide while taking into account Japan's duties under the security pact." In this way, he noted the importance of fulfilling duties stipulated in the security treaty.

In answering a question from Seiji Maehara of Sakigake [harbinger] concerning the return of Marine Corps Air Station Futenma, which the Okinawa prefectural government demands in its base return action program, Hashimoto said: "I know about the prefectural office's demand that the airfield be returned at an early date." However, he noted: "The airfield plays an important role in operations of the U.S. forces. The facility is also for the UN force," indicating that he would carefully deal with the matter. He also said: "The government not only has discussed the issue with the U.S. forces but also it has been studying the possibility of its return from various angles."

Japan: Coalition's Okinawa Base Team Facing Rough Going

OW1303000996 Tokyo YOMIURI SHIMBUN in Japanese 12 Mar 96 Morning Edition p 3

[FBIS Translated Text] The ruling coalition's project team on Okinawa base issues (chaired by Taro

Nakayama) will compile proposals concerning realignment and reduction of U.S. military bases on Okinawa and submit them to Prime Minister Ryutaro Hashimoto as early as 15 March.

The Special Action Committee on Okinawa (SACO) set up between the Japanese and U.S. Governments is proceeding with efforts to work out plans for reorganizing and reducing U.S. military facilities and sites on Okinawa for U.S. President Bill Clinton's visit to Japan in April. Meanwhile, Prime Minister Hashimoto and Okinawa Governor Masahide Ota are scheduled to meet again around mid-March. Given the situation, the project team intends to work out the ruling coalition's stance on the issue soon, hoping that their proposals will be reflected in SACO plans.

With regard to the focal issue of returning Marine Corps Air Station [MCAS] Futenma, both the Social Democratic Party [SDP] and New Party Sakigake [Harbinger] intend to accept the Okinawa Prefectural Government's demand for return of the Futenma base.

However, a senior member of the coalition-leading Liberal Democratic Party [LDP] maintains, "The Japanese and U.S. Governments take the same view of the importance of the MCAS Futenma. As long as we take the position of attaching great importance to Japan-U.S. security arrangements, a unilateral demand for return lacks common sense." The U.S. side is also reluctant to show a concrete stance before the President's visit to Japan, saying that it "cannot reach a conclusion easily." Consultations will inevitably face rough going.

During a 7 March meeting with a U.S. delegation including Thomas Hubbard, deputy assistant secretary of state, Sakigake Representative Masayoshi Takemura made positive comments on revision of the Japan-U.S. defense guidelines and emergency legislation, for the first time as a leader of the ruling parties. In compensation for demanding relocation and reduction of U.S. military facilities, including MCAS [Marine Corps Air Station] Futenma, Takemura has indicated an affirmative view on revision of the existing "Japan-U.S. defense cooperation guidelines" and "legislation" for emergency cases.

According to people concerned, Takemura's objective is to minimize the impact of reducing U.S. military bases, to maintain Japan-U.S. security arrangements.

In concrete terms, Takemura is thinking about the following possibilities: revising existing guidelines so that Japan and the United States can cooperate more smoothly in case of an emergency seriously affecting Japan-U.S. security arrangements; and introducing emergency legislation designed to enable U.S. military planes to use Japanese civil airports in emergencies.

The LDP has welcomed the Takemura comments. However, the key to the ruling coalition's discussion of the issue lies in coordination with the SDP, which has shown a negative stance on such issues as emergency legislation.

Japan: Land Expropriation Group Likely To Hold Session on Sobe

OW1303035496 Naha RYUKYU SHIMPO in Japanese 13 Mar 96 Morning Edition p 2

[FBIS Translated Text] The lease on a portion of land on the Sobe Communication Site will expire on 31 March. Therefore, the Defense Facilities Administration Agency [DFAA] is studying measures for the emergency use of the land as part of the procedures for the enforced use of the land for U.S. military bases.

Regarding the case, the Prefectural Expropriation Committee [PEC] is expected to hold an extraordinary session — as early as late March — to consult on the plan for examining the case. This was disclosed by those who are connected with the PEC. If the decision on the proxy signing suit on U.S. military bases should be given in favor of the DFAA on 25 March, the Agency intends to submit a request to the PEC by 29 March for its approval of an emergency use of the portion of the land on the Sobe Communication Site for six months. The attention now will be centered on how PEC members will deal with the central government's intention to limit the "legal vacuum," which will arise from the lease expiration, to the minimum.

So far, the PEC has held study sessions on the emergency use on two occasions, once in January and once in February. Opinions were reportedly divided at these sessions, with some members maintaining that it will have to inevitably have the case handled promptly while others holding that the case should be handled in the same way as similar cases asking for decisions on the emergency use. The PEC is scheduled to hold its extraordinary sessions from 25 to 29 March with the purpose of working out a consensus on how to handle the case before the DFAA submits its application.

If the decision on the proxy signing suit should be given in favor of the DFAA, Governor Masahide Ota would refuse to sign by proxy [documents required for land lease]. Then, Prime Minister Ryutaro Hashimoto will sign these documents by proxy, and the DFAA intends to submit to the PEC its applications for the use of over 2,900 land lots as military land, and at the same time for an emergency use of a landlot in Sobe.

Concerning the requirement for an emergency use, it is stipulated in the Ordinance on enforcing the law on the special measures for the use of land as military land for forces stationed in Japan [churyu-gun yochi tokubetsu sochi ho shiko rei] that "the emergency use will be approved at a time when as a result of the laches in the use of land and others, there is a fear that the maintenance of security in Japan as well as peace and stability of the international community will be seriously affected."

In consideration of the possibility that there will be a state of "illegal occupation" in the Sobe case, the PEC has been studying, since January, various interpretations of the law as well as various cases in which either an approval or a rejection was given to applications for an emergency use.

Those connected with the PEC have disclosed that at the discussions held so far on the issue concerning the emergency use, "nearly all members shared the same opinion that a substantial trial should be conducted." However, they differed in views on the issue as to what extent the trial should be accelerated. Furthermore, some members maintained that "if it should be argued that a vaccum created on that land lot would seriously affect the security of Japan and also in Far East, we should request that a concrete explanation and concerned data should be submitted."

Japan: Residents Near Yokota Air Base To File Suit Against U.S.

OW1303132796 Tokyo KYODO in English
1002 GMT 13 Mar 96

[FBIS Transcribed Text] Tachikawa, Japan, March 13 KYODO — Some 3,000 residents complaining of aircraft noise around the U.S. Yokota Air Base in western suburbs of Tokyo will sue the Japanese and U.S. Governments, possibly as soon as April 10, demanding compensation and a halt to night flights, lawyers said Wednesday [12 March].

The lawyers said the number of plaintiffs, who are planning to file the suit at the Hachioji branch of the Tokyo District Court, is expected to grow to 5,000 eventually.

On Friday, the residents will also make requests at the Foreign Ministry, the Defense Facilities Administration Agency and the U.S. Embassy for a ban on flights at the base between 9 P.M. and 7 A.M. and on drills by carrier-based planes, and for payment of damages until the noise problem is resolved.

The group of 3,000 plaintiffs was formed Feb. 11 and plans to file the suit before U.S. President Bill Clinton visits Japan on April 16-18.

Similar lawsuits have been settled in the past. In 1993, the Supreme Court awarded a total of 112 million yen in damages to 127 residents near the base in a ruling on the first two suits, rejecting an order to ban night and early morning flights.

In March 1994, the Tokyo High Court ordered the state to pay a total of 520 million yen in compensation to some 600 residents near the base, but it also rejected their demands for a ban on night and early morning flights. The plaintiffs and the state did not appeal to the Supreme Court.

The lawyers said they have decided to sue the U.S. Government because the Supreme Court ruled that the Japanese Government cannot control the activities of U.S. military forces under Japan-U.S. Security arrangements.

Japan: Editorial on Court's Decision in Rape Case

OW1203132096 Naha RYUKYU SHIMPO
in Japanese 8 Mar 96 Morning Edition p 5

[Editorial: "Military Cannot Be Good Neighbor — Military Bases Underlie Court Decision on Rape Case"]

[FBIS Translated Text] There is a common saying "Condemn the offense and not its perpetrator." But this time, we cannot apply this to the recent rape case. We believe most Okinawan people must have the same sentiment. In connection with the recent rape case of a schoolgirl by three U.S. servicemen, the Naha District Court on 7 March sentenced seven years of imprisonment to two of the accused and six and a half years of imprisonment to another servicemen respectively in response to prosecutors' demand for 10 years imprisonment.

As for the assessment of a case, it is often said that Japan's criminal law itself is too permissive on sexual crime. The chief judge must have made a decision with past judicial precedents in mind. There is no doubt that if a decision was made at a U.S. court, it would have been more severe. But as for the Naha Court's judgment, it is a matter of Japan's criminal law and judicature.

What we have to pay more attention is the existence of the overcrowding military bases which underlies the recent rape case, rather than the terms of imprisonment. It is also a matter of responsibilities of the two governments. The U.S. military authorities as well as both the Japanese and the U.S. Governments want to deal with the case as an extremely special case caused by "bad apples" among 29,000 servicemen staying in Okinawa. But it may be impossible to prevent the recurrence of a case if they continue to take such an attitude.

Although the U.S. military authorities from time to time say "we want to be a good neighbor," the situation facing Okinawa, we think, does not allow the military to be a good neighbor. We can welcome Americans and do not reject them. However, we do not think the U.S. military itself will become a good neighbor under the current situation, wherein Okinawa has virtually become a place for a "base settlement" or a "military colony."

The U.S. Armed Forces Are Uninvited Guest

We should not allow a similar case to happen. But when we consider whether it is fully possible to prevent the recurrence of similar cases, we have no choice but to become pessimistic. This is because we see a structural problem in the situation, that is, the existence of overcrowding bases. We see such a problem from the over 4,700 crimes by U.S. servicemen after the reversion of Okinawa to Japan. Measures, such as increasing opportunities for preaching by chaplains, taken by the U.S. military authorities after the war are not sufficient to settle the structural problem.

It is impossible for a unique, closed world called the military to coexist with the open-hearted Okinawan people living on such small islands. The military is an organization dominated by men. So is the U.S. military, which accepts women soldiers as active service troops.

U.S. servicemen's sexual violence to servicewomen has become a serious problem within the military. The fact that the former commander in chief of the U.S. Pacific Command was dismissed from his office for making remarks that "they could buy women (prostitutes) with the money they spent to commit the crime, and they are stupid" symbolically reflects such a structural problem. The military tends to consider women just as an outlet for a sexual desire.

As for the U.S. Marine Corps [USMC], which is a combat unit, most of the Marines, who are required to part from their families, are between the age of 18 and their early 20's. Among them, some commit sexual crimes. Senior officers and servicemen must have arrogant minds, considering that whatever the military servicemen do to the local people can be overlooked.

It seems that the stationing of the U.S. military in Okinawa for over 50 years from the U.S. occupational period until the present has come to let U.S. servicemen themselves unconsciously feel they are occupying Okinawa and can do whatever they want. The military authorities strongly dislike to be seen in that way and say "We are stationed in Okinawa as guests of the Japanese Government based on the Japan-U.S. Security Treaty." But now, they are "uninvited guests."

The military facilities on Okinawa are functioning mainly as bases for sallying, exercise, logistics, and communications. But we cannot ignore the fact that during the Vietnam War, the military authorities set the military facilities on Okinawa as "facilities for consolation and amusement." Those facilities include large golf courses, leisure and recreation centers. Towns surrounding the military bases may have also been seen as consolatory places.

Fault of Japan-U.S. Politics and Administration

During the Vietnam War, towns surrounding the base were crowded with soldiers on leave. U.S. servicemen also considered towns surrounding the bases to be places for consolation and amusement. Excessive concentration of military facilities on the small island has created a boundary between the military facilities and towns. Therefore, the more opportunities for contracts between U.S. servicemen and civilians increase, the more crime by U.S. servicemen and inconveniences caused by military exercises will increase.

Every time accidents or crimes involving military personnel have happened, the U.S. military authorities have said they will "enforce discipline." But what they say was an excuse because many crimes and accidents have been repeated. If the number of troop strength deployed in Okinawa is cut by two-thirds, the number of crimes and accidents would decrease by two-thirds. In particular, if the U.S. Marine Corps was withdrawn from Okinawa or cut to some extent, the greater part of the military base issues in Okinawa would be settled.

The recent unfortunate event has shocked persons or institutions both at home and abroad and given rise to debates over whether the unequal Japan-U.S. Status of Forces Agreement and the Japan-U.S. Security Treaty should be reviewed and how the U.S. forces stationed in Japan and Japan-U.S. relations should be. In addition, partly because of Governor Ota's refusal to sign paperwork to let the U.S. forces use land, the base issues facing Okinawa has drawn the world's attention.

However, for Okinawa, that is an old story. Okinawa has been appealing for the settlement of the base issue for over fifty years. In the past, the two governments have turned a deaf ear to Okinawa's viewpoints, and their responsibilities for putting Okinawa in a state akin to a "military settlement" and "colonization" for over 50 years are heavy.

Japan: Hashimoto Says 'Other Countries Are Also Concerned' Over Taiwan

OW1303053196 Tokyo KYODO in English 0446 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — - Prime Minister Ryutaro Hashimoto expressed concern Wednesday [13 March] over China's military exercises in waters off Taiwan.

"I will continue to repeatedly express I have strong concern and interest (over the drills)," Hashimoto at a session of the House of Councillors Foreign Affairs Committee.

He said Japan is urging China to show restraint in its dealings with Taiwan and that Japan will put its case to Chinese Foreign Minister Qian Qichen when he visits Japan later this month.

The comments follow an announcement Wednesday by Taiwan's defense ministry that China test-fired a fourth missile in waters near the island early in the morning, following the previous three missile launches last week.

China also began live ammunition drills in the Taiwan Strait on Tuesday.

The exercises are seen as putting military pressure on Taiwan to abandon moves toward independence, ahead of the March 23 direct presidential election. Beijing regards Taiwan as a renegade province.

Hashimoto also said the missile tests are causing anxiety among residents in Japan's southernmost prefecture of Okinawa, a string of islands which run south toward northern Taiwan near where the missile tests are being conducted.

"It's important to build up an atmosphere where we convey to the Chinese side that other countries are also concerned," Hashimoto said.

Hashimoto said he does not support the opinion voiced by some members of his Liberal Democratic Party that Qian's visit should be postponed.

Instead, he said the visit is a "good opportunity" to indicate the strength of the desire for Chinese restraint and to show the extent of concern over developments in the Taiwan Strait.

Meanwhile, Chief Cabinet Secretary Seiroku Kajiyama, the top government spokesman, confirmed China had fired a fourth missile.

He told a press conference that Japan will keep on urging China to exercise self-restraint, calling the military maneuvers "a threat to a democratic election."

"We have repeatedly urged restraint and expressed our regret, but there are no legal measures we can take," he said.

Kajiyama said Tokyo and Beijing should deal with the issue without harming bilateral relations.

Japan: Official Says No Plans for Christopher-Qian Talks in Tokyo

OW1303101596 Tokyo KYODO in English 0933 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — It is unlikely that U.S. Secretary of State Warren Christopher and Chinese Foreign Minister Qian Qichen will hold emergency talks on Taiwan in Tokyo in late March or early April, a high-ranking Foreign Ministry official said Wednesday [13 March].

"As far as I know, there is no such plan," said the official, who spoke on condition of anonymity, referring to a Japanese newspaper report that Christopher may visit Tokyo to meet Qian.

The Chinese foreign minister said Monday he is planning to make a trip to Japan from late March to early April, and also proposed a meeting with Christopher.

"The report must be based on some speculation," added the official.

Tensions have been running high in the Taiwan Strait over China's missile tests and live-fire military drills. The United States has moved its aircraft carriers Independence and Nimitz near Taiwan as a precaution.

Japan: Defense Agency Briefing on PRC Live-Fire Drills

OW1303101396 Tokyo KYODO in English 0939 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — - China has mobilized 150,000 troops in the coastal province of Fujian facing the Taiwan Strait where Beijing began a series of live-fire drills Tuesday, the Defense Agency said Wednesday [13 March].

In a report presented to the Liberal Democratic Party, the biggest group in the tripartite ruling coalition, the agency also pointed out that four submarines, including a state-of-the-art Russian-made sub, and four landing crafts are taking part in the drills.

The report, based on information from the United States, Taiwan and Hong Kong, notes that a total of 10 Chinese naval vessels are already in the Taiwan strait and some 300 aircraft have been mobilized at 11 bases facing the east China sea.

A Defense Agency source, in briefing reporters, ruled out the possibility of the latest Chinese live-fire exercises leading to an invasion of Taiwan.

But the source said the scale of the drills could expand from those held Tuesday, which Taiwan's Defense Ministry said involved around 10 naval ships and 10 fighters.

Japan: MOFA Spokesman Comments on Taiwan Issue

OW1303102996 (Internet) Japanese Ministry of Foreign Affairs WWW in English 13 Mar 96

[News conference by Japanese Ministry of Foreign Affairs [MOFA] spokesman Hiroshi Hashimoto with unidentified reporters on 12 March; place not given; from the "What's New" link; received via Internet]

[FBIS Transcribed Text] [Topics of Discussion] I. The fundamental position of Japan regarding international terrorism.

II. The fundamental position of Japan regarding the situation in the Taiwan Strait.
III. Possibility of the situation in the Taiwan Strait affecting Japan.
IV. Current involvement by the United States of America in the Taiwan Strait.
V. Specific concerns of Japan over recent events in the Taiwan Strait.
VI. Surveillance by Japan in the Taiwan Strait.
VII. Intelligence sharing between Japan and the United States of America.
VIII. The situation in the Taiwan Strait as related to international law.
IX. Position of the Government of Japan on the issue of Taiwan.
X. Communiques between Japan and the People's Republic of China.
XI. Situation in the Taiwan Strait as related to Japan-United States relations.
XII. Situation in the Taiwan Strait as related to Japan-People's Republic of China relations.
XIII. Japanese diplomatic policy as related to the situation in the Taiwan Strait.
XIV. Possibility of new diplomatic participants in Taiwan Strait situation.
XV. Situation in the Taiwan Strait as related to the issue of United States base realignment on Okinawa.
XVI. Positions of Japan, the People's Republic of China, and the United States of America, as related to the situation in the Taiwan Strait.
XVII. Alliance between Japan and the United States of America vis-a-vis the Japan-United States Security Treaty.
XVIII. Obligations of Japan and the United States of America under the Japan-United States Security Treaty.

I. The fundamental position of Japan regarding international terrorism

Foreign Ministry Spokesman Hiroshi Hashimoto: Good afternoon, ladies and gentlemen. This morning Minister for Foreign Affairs Yukihiko Ikeda left Japan to attend a summit of peacemakers in the Middle East. In this connection, I would like to explain to you very briefly the fundamental position of Japan on international terrorism. It is deeply regrettable that the recent series of terrorist bombings in Israel, which murdered and injured numerous citizens, have threatened the peace process in this region. The recent tragedies and their consequences have reminded us that the peace process is still fragile and needs continued strengthening and assistance from the international community, in addition to efforts by the parties concerned, in order to achieve further developments in the process. Japan has repeatedly condemned all forms of terrorism and reaffirmed its resolve to fight against it. We need to take a determined stand against terrorist acts, the most imminent threat against our efforts for peace. We have to make it clear that terrorist acts cannot be justified for any reason whatsoever, and that political aims must be achieved by peaceful means. Thus, violence intending to achieve political ends shall never be accepted by the international community.

II. The fundamental position of Japan regarding the situation in the Taiwan Strait

Q: Is Japan angry or annoyed or frustrated that China is ignoring or seems to be ignoring international calls for it to back off?

A: I will respond in the following way. It is not desirable for peace and stability in the Asia-Pacific region if tension over the Taiwan Strait is heightened. In this connection, Director-General of the Asian Bureau Ryozo Kato of the Ministry of Foreign Affairs already twice appealed to the People's Republic of China and expressed concern about this issue. Unfortunately, China has not responded favorably, and it seems it will begin a round of naval and air exercises, as well as missile tests. But, we hope that the Chinese Government will listen carefully to our appeal.

Q: There are a lot of different scenarios people are discussing about what might happen. Can you tell me what particular scenarios the Japanese Ministry of Foreign Affairs is considering, and could you rank them in terms of what you expect is the most likely outcome and the least likely outcome?

A: The Japanese Government does not foresee military conflict in that region. We do not expect that military conflict will be imminent. This is the first point. The other point is that Japan has been urging for restraint both by China and Taiwan. We sincerely hope that that will be the case. We understand that China, in principle, has a right to carry out military exercises using the high seas, so long as those exercises will not hinder the usage of international seas by other countries. Up until now, we cannot consider that these present exercises violate international law. But, politically speaking, what we can say is that if tension is heightened, it will not be desirable for peace and stability in the region. So, we hope the Chinese side will maintain self- restraint.

Q: You just said that you don't expect there to be an imminent war between China and Taiwan, but the phrasing of your answer suggests that there is some fear that, maybe not right now, but sometime soon possibly, there might be conflict between China and Taiwan. Say the Japanese Government has five scenarios that its dealing with on China and Taiwan, where does armed conflict fit in?

A: Probably, we do not have that concrete scenario in front of us, because, I will say again, the Japanese side does not consider possible military conflict to be imminent. However, we do not want, for whatever the reason, tension over the Strait to be heightened, so we expressed our concern about this. We hope that China and Taiwan will understand this and show their restraint so the tension will decrease. That is what we hope.

Q: You said that Japan doesn't foresee any military confrontation as imminent. Why?

A: Because we have not received any information of that sort.

III. Possibility of the situation in the Taiwan Strait affecting Japan

Q: As far as I know, there is a five-level alert system. Actually facing the tension between China and Taiwan, the base in Okinawa has raised its level of military preparation up to level three. So, that indicates that Japanese troops are on alert. So, if there is going to be a war, say, and then the Japanese military has to deal with the problem, even if Japan does not like it or not, because of the mutual alliance with the United States —.

A: First of all, the Japanese Self Defense Force is not on alert. Secondly, our island called Yonaguni is very near the site of Chinese missile testing. Those on the island are naturally concerned about an unexpected situation. We have already conveyed this concern to the Chinese side. The Chinese Government has replied that the exercises will be restricted to the announced areas and that we should not be concerned about this. I do not think the Japanese people are shaken about these military exercises, but in order not to have the tension escalated, we already twice told the Chinese Government that they should show restraint.

IV. Current involvement by the United States of America in the Taiwan Strait

Q: As we all know, the stated reports leaked to the press, in Australia I think, said that the United States is prepared to step in on Taiwan's side militarily. And, Japan is of course, according to its treaty with the United States, and also de facto, because of the U.S. forces being based on Okinawa, behind the States. Under what circumstances would Japan cease to support the United States? For example, if the United States started engaging in military action in the Taiwan Strait?

A: I think you are too much concerned about military conflict. The Japanese Government fully understands that the United States has been playing a very important role in maintaining peace and stability in the Asia-Pacific region. At the same time, we know that the United States Government is concerned about tension over the Strait. But, we do not think that the American side foresees a possible military conflict as imminent. What we know is that American ships, such as the aircraft carrier Independence are currently engaged in routine exercises, as well as surveillance, in the sea near Taiwan. Therefore, what we should do is closely watch the situation. At the same time, we should also not be influenced too much by the expectations of the worst scenario.

V. Specific concerns of Japan over recent events in the Taiwan Strait

Q: If we are all over playing with the idea of a possible military threat, can you articulate for us exactly what Japan's major concerns are? You talk about an escalation of tension. What do you mean by that? And, why is that a concern if you don't think it's going to lead to armed conflict?

A: For example, if, by any chance, a Chinese missile hits in the wrong place, outside the announced test sites, and causes damage to, for example, the Taiwanese people or the Japanese people on the islands, I am sure it will cause serious problems. We have already warned the Chinese Government several times that the Japanese people, especially on the island of Yonaguni, are concerned about this. In addition to this, there is a regular flight service between Okinawa and Taipei, and there is a direct air service between Japan and Hong Kong. The Chinese Government told us that although those air companies have to detour the areas concerned, they assured us that we should not be worried about an unexpected situation happening.

Q: There's another answer, too, I think, isn't there? That muscle flexing and bullying should not go ignored?

A: Naturally, we are concerned about tension being heightened in the area. The Japanese Government does not consider the tension as being so high. For the time being, I think the situation is under control, and we sincerely hope that the Chinese Government understands those concerns and exerts self restraint.

VI. Surveillance by Japan in the Taiwan Strait

Q: You have repeatedly mentioned the concerns of the Yonaguni islanders. Has the Japanese Government picked up surveillance or monitoring operations in and around those waters — for example, by sending NSA cutters or Maritime Self Defense Force destroyers?

A: I do not know the particular measures taken by the Japan Self Defense Forces. I think they engaged in some routine surveillance. But, they are not engaged in any special surveillance.

VII. Intelligence sharing between Japan and the United States of America

Q: The U.S. has been monitoring this very carefully — ships in the region. Has this information been fed back to Japan? The types of the missiles, the flight paths, and so on?

A: We have already contacted the United States Government on providing information on this; however, I do not know what sort of information was given to the Japanese side.

VIII.The situation in the Taiwan Strait as related to international law

Q: You said that an international law would be violated if shipping lanes are impeded. Is that correct? And, the shipping lanes have been impeded. Has this violated international law or are we treating this as a part of China?

A: What I wanted to say is that any country can use the high seas for military exercises so long as it pays due attention to the right of other countries to use the high seas, too. In our case, what I can tell you is that air service is influenced by the exercises, and air companies have to detour the areas. But, we do not think that that constitutes violations to international law. Although, we think that these exercises are not desirable for peace and stability, we do not consider, for the time being, that the Chinese exercises will constitute violations to international law.

IX. Position of the Government of Japan on the issue of Taiwan

Q: You also mentioned, too, that you were urging both sides to show restraint. Can you tell us anything about the restraint you have urged the Taiwanese to take?

A: As far as the Taiwanese are concerned, the Japanese position on the Taiwan issue is as follows. We stated in the Japan-People's Republic of China Communique, that the Government of the People's Republic of China reiterates that Taiwan is an inalienable part of their territory. The Government of Japan fully understands and respects this stand of the Government of the People's Republic of China. We have absolutely no intention of supporting a two-China policy. This may sound rather vague to you, but this is our policy concerning the Taiwan issue. We hope that this will be understood by both Taiwan and China. X. Communiques between Japan and the People's Republic of China

Q: Twice you've sent communications to the Chinese side. Was the second one after the announcement over the weekend that they used live ammo?

A: Last night, Director-General of the Asian Bureau Kato once again asked Counsellor Zheng Xianglin of the Embassy of the People's Republic of China to come to his office.

XI. Situation in the Taiwan Strait as related to Japan-United States relations

Q: This latest crisis — what kind of impact will it bring about? For example, on the joint security declaration planned for April by Prime Minister Hashimoto and President Clinton, or the ongoing deals to realign Okinawan base facilities?

A: As the Japanese side repeatedly explained in the past, both Japan and the United States intend to announce the importance of the alliance between the two countries in the post-cold war era when President William Clinton of the United States of America visits Japan in April. I do not think that the Chinese military exercises will change the character of the documents which the two governments will announce.

XII. Situation in the Taiwan Strait as related to Japan-People's Republic of China relations

Q: You've been talking about asking China to have some self restraint. However, the situation is exactly opposite. The tension goes higher and higher and higher. So, there are some voices in political parties which have criticized the Ministry of Foreign Affairs for not being strong enough. What is the reaction to this criticism?

A: Apart from telling or communicating our concern to the Chinese side, for the time being, the Ministry of Foreign Affairs does not intend to take any specific actions, because we hope that China will understand our concern. Secondly, either at the end of this month, or at the beginning of April, Minister of Foreign Affairs Qian Qichen of the People's Republic of China intends to visit Japan. We have been arranging the complete schedule for his visit. The Japanese Minister for foreign affairs will have direct talks with him. Of course, we want to see China promptly act on our concerns; however, we still have another chance to talk. They may criticize the Japanese Government for not taking appropriate measures, but we basically believe that we should not be too agitated — that we should be calm. At the same time, we should make our positions clear to them.

XIII. Japanese diplomatic policy as related to the situation in the Taiwan Strait

Q: Are you advising Japanese nationals to stay away from Taiwan?

A: No, I do not think so. Basically, the Japanese people are not too much agitated by the Chinese exercises.

Q: You've made no suggestions to tourists?

A: No, I do not think so. No.

XIV. Possibility of new diplomatic participants in Taiwan Strait situation

Q: Are you aware of any diplomatic attempt to calm all sides by an outside Asian government? That's in reference to some kind of — what do you know about that or other efforts to calm things diplomatically?

A: We know that many countries, not only in Asia, but also in Europe — and of course the United States — have expressed concerns about the Chinese exercises. But, apart from that, we do not know whether those countries are contemplating taking special measures on this particular subject.

XV. Situation in the Taiwan Strait as related to the issue of United States base realignment on Okinawa

Q: Has this latest development added to a sense of urgency on the part of the Japanese Government to realign or reorganize the American military bases in Okinawa?

A: As far as the issue of realignment and consolidation and downsizing of the bases is concerned, both Japan and the United States have been endeavoring to show a specific direction on this when President Clinton visits Japan. In any case, both governments will finalize their concrete ideas by November this year. I do not think that the present situation over the Taiwan Strait will affect the issue of Okinawa bases.

XVI. Positions of Japan, the People's Republic of China, and the United States of America, as related to the situation in the Taiwan Strait

Q: My first question is, don't you think it makes it easier for the Japanese Government to argue that the status quo should be maintained if the Chinese are taking these sorts of actions so close to Japan? The second question is, you have urged for restraint from both the Taiwanese and the Chinese. Do you think the United States in sending two aircraft carriers to the region is behaving with appropriate restraint?

A: On the second question, the United States is our ally. We fully trust the United States. We fully understand that the United States is determined to continue to play an important role for peace and stability in the region. On the first question, what we can say is that China is a very important neighbor for us, and we just hope that the Chinese Government will understand the concerns expressed by the Japanese Government. Up until now, unfortunately, the Chinese Government has not responded positively on our position. We would just like to hope that the Chinese side will eventually understand this.

Q: How has China responded?

A: China has not responded positively yet.

Q: Have they responded negatively, or have they not responded at all?

A: They simply say that it is legitimate for them to carry out exercises using the high seas, warning that certain areas will be used for military drills. They said that we should not be too concerned about this. But, we say that one of the test sites, especially, is very near Yonaguni Island, and that to continue their exercises will negatively influence peace and stability in the region.

Q: Is it fair to say you are disappointed in the nature of the Chinese response so far?

A: I think we should stay calm. We should not necessarily be alarmed by what the Chinese Government has said so far. We keep calm, but at the same time, we make our positions clear to them. This is what the Japanese Government has been doing.

Q: But, you just said you were not worried? You just said that

A: They said it. They said we should not worry. But, we said that we were worried, so we expressed our concerns, and we have already told this to the Chinese side.

Q: But, you just said that you are not worried there's going to be a military conflict, but you're worried about the exercises. What is it that worries you then?

A: As I told you, if tension over the strait is heightened, it will not be desirable for peace and stability in the region. But, still the tension is not so high.

Q: Does that mean if the tension in the Taiwan Strait continues to increase, you're afraid that it could be a war in the region? Is that what it means?

A: For the time being, we have not received any information that a military conflict would be imminent. I am sure that Yonaguni Island is very near the site, so it is natural that those people are concerned about the exercises.

Q: Where is the tension on a scale of one to ten. Ten is war and one is, say, a month ago. Where do you think the level of tension is now?

A: Once they launched three missiles, I think the tension is bigger now. I am not sure whether the Chinese Government will start the naval or air exercises today or not, but if they do so, I am sure that tension will be heightened. Still, we do not see that any military conflict between the parties to be imminent from the exercises.

XVII. Alliance between Japan and the United States of America vis-a-vis the Japan-United States Security Treaty

Q: I am still very confused by the Japanese Government position. Can I say the Japanese Government actually is aligned with the United States. Can I say that?

A: Yes, of course.

Q: That means if America decides to go intervene, the Japanese Government in the way of troops, or whatever, will also intervene?

A: When you say that the United States is going to intervene, what do you have in your mind?

Q: Because, America said there would be consequences. It is very clear that America is going to step into this matter. The position is very clear now.

A: Step in in what way?

Q: They are going to take on probably the Taiwanese side. Although it is not that clear, it has a connotation indicating that. That is why the Japanese Government was so angry yesterday. They were angry with the Americans sending the fleet to the Taiwan Strait. So, is the Japanese Government aligned with the United States? Can I say that?

A: I do not want to mislead you, because this is a very sensitive question. What I can tell you is rather general. The United States remains our close ally. For us, it is very important to develop very good relations with China. It is also important for us to maintain and develop good and non- governmental relations with Taiwan. Therefore, we hope that the parties concerned will continue to execute their self restraint so that tension will not be heightened in the future.

Q: But, if it gets to a point where you have to choose — you have to choose — either with the States, or with China. It would be a point where you would have to choose, right?

A: I think you are far ahead of us. The Japanese Government does not conceive that military conflict is imminent.

Q: You are definitely giving the impression of a government that feels somewhat caught in the middle between supporting the United States and wanting to maintain friendly relations with China. There are a lot of other factors here, too. You don't want to alienate the United States, but you also clearly not speaking as forcefully as they are. Is that a correct impression that the Government of Japan feels somewhat caught between the two sides here?

A: I am not sure if it is right to interpret this as you have, but in any case, the situation over the Taiwan Strait or the Korean Peninsula, or these areas, can directly influence the peace and stability of Japan. So, it is natural for us to be concerned about the situation over there. We are following very closely what is happening over there. Of course, we rely on the United States to extend security to Japan. There is no doubt about this. But, at the same time, there is not need to worry too much over the present situation. Because we cannot move our archipelago from this area, we have to be on good terms with China and Taiwan for a long time. This is a situation where we cannot put ourselves at risk. At the same time, we trust the Japan-United States security relationship, and we do not want to see anything extraordinary happen.

Q: You have not followed the United States lead in terms of speaking out forcefully. Does that mean that you, to some extent, disagree with the U.S. tactic here?

A: I did not say that our position is different from that of the United States, or that we disagree with the United States on this. However, our position is much more vulnerable than that of the United States, so what we can do and say is very limited. We do not want to hint to you that the alliance between the two countries will be negatively affected by the present situation.

Q: Can I just put everything you just said into one sentence or a couple of short sentences? You are worried — .

A: That's right.

Q: But you don't expect a military conflict?

A: To be imminent.

Q: Ok. So, there is a possibility somewhere actually? You are worried, but you don't expect a military conflict. You're basically just waiting to see what happens next?

A: We are carefully watching the situation. At the same time, whenever we have a chance, we make our position clear to the Chinese Government. That is what we have been doing up until now.

Q: In light of that, would Japan then take a neutral line under a worst case scenario? Would it put up the neutrality flag?

A: What I am saying is not about neutrality. Because, when we express our concern to the Chinese side, we said, "look, if tension rises, it will not be good for peace and stability in this region." At the same time, we fully understand that the United States is playing a very important role in peace and stability in this region. Although we have some vulnerability, I do not think that the Japanese position is neutral. It cannot be neutral.

Q: But, until such time as there is conflict, Japan will not take a strong stand on the issue?

A: Again, I will say that the Japanese Government doesn't consider the situation as so bad. We do not consider military conflict to be imminent.

XVIII. Obligations of Japan and the United States of America under the Japan-United States Security Treaty

Q: In the discussions between the defense officials of the United States and Japan, has Japan said anything about any situation in which it would be reluctant to abide by any U.S. request, whether it is to use bases to do something in particular?

A: Are you talking about possible cooperation between the two counties in the case of crisis?

Q: Yes. Have you discussed with the United States any situation in which Japan would not agree to any requests for cooperation?

A: I cannot say anything specific on this, except, of course, in general terms, the two sides have been exchanging views. But, I am not aware that the two governments have been engaged in any specific joint studies on this.

Q: What I am specifically wondering is, is there a situation where Japan will tell the United States, "please do not use Japanese soil for launching any exercises or sorties related to this — please don't use Japan as a launching point?"

A: In this case, what I can tell you is that the Japanese Government is determined to fully oblige the Japan-United States Security Treaty.

Q: So, there is not a situation in which the Treaty would be abrogated?

A: If you ask me about the structure of the Japan-United States Security Treaty, there is a special arrangement between the two countries — the so-called prior consultations. If the United States wants to use their military bases in Japan in order to protect peace and stability in the Asia-Pacific region, rather than to directly protect Japanese territory, they will have to consult with the Japanese Government prior to this.

Q: Has that happened yet?

A: It has not happened yet.

Q: Is that even for surveillance?

A: Surveillance has nothing to do with this. Now, the Independence is engaged in routine work, as well as surveillance, but it does not constitute any violations to the Japan-United States Security Treaty.

Q: So, surveillance does not require prior consultation?

A: Right.

Q: But, military action would?

A: Military action using the American bases in Japan?

Q: Correct.

A: Yes.

Q: That means that the Japanese Government has the veto vote on such action?

A: In the past, the United States has never asked for prior consultations. This is an absolutely new area. So, we do not want to answer you on a hypothetical question.

Q: What happened in the Korean War?

A: We were not independent then, during the war. We were still occupied.

Q: Consultations means the Japanese Government has to say yes. Is that right?

A: Consultations means consultations. But, because we do not foresee any imminent possibility of using any particular arrangement, I do not want to say anything on this. In any case, the Japanese Government wants to observe the objectives of the Japan-United States alliance.

Q: So, it is the right of Japan to be notified, rather than the right of Japan to say yes or no?

A: Yes. The prior consultation is needed if the United States wants to use their bases in Japan for the purposes of maintaining peace and stability in the region.

Q: Is the nature of such consultation that it has to get Japanese agreement?

A: Yes, agreement.

Q: Actual agreement?

A: If Japan says no, of course the United States cannot use them.

Q: In the event of a Taiwan crisis, what are Japan's obligations under the Security Treaty?

A: Again, this is a very hypothetical question. First of all, we do not want to see that happen, so I hesitate to answer, because we will do our best not to see this happen.

Q: But, you just said that in the event of a crisis, Japan intends to fulfill its obligations under the Treaty.

A: Yes, that is right.

Q: I am asking you, what are the obligations?

A: The Japan-United States Security Treaty stipulates that the United States forces can use its bases in Japan in two cases: one is for the purpose of protecting Japan, and the other purpose is for maintaining peace and stability in the Far East. But, for the second case, the United States is obliged to carry out prior consultations with Japan. That is the mechanism of the Treaty.

Q: You are referring to Article VI, right?

A: Yes, that is right. I sincerely hope the tension over there will not be heightened as you expect.

Q: So do we.

A: Thank you very much.

Japan: MOFA Urged To Take Tougher Stance on PRC Drills

OW1303132396 Tokyo ASAHI SHIMBUN in Japanese 13 Mar 96 Morning Edition p 2

[FBIS Translated Text] On 12 March, the joint meeting of the coalition-leading Liberal Democratic Party's [LDP] committees on diplomatic relations brought up the issue of China's missile-launching exercises in waters near Taiwan, which have heightened tension in the Taiwan Strait. Many attendees criticized the Ministry of Foreign Affairs' [MOFA] handling of the issue, saying that MOFA is merely asking China to exert self-restraint.

The Japanese Government takes the position that "third countries cannot raise objections to exercises in the high seas," (as stated by Prime Minister Ryutaro Hashimoto). However, some attendees at the meeting maintained that Japan should show a tough stance, including freezing of yen loans to China.

At the joint meeting, MOFA's Asian Affairs Bureau Chief Ryozo Kato stated that China's current military exercises "do not bear a military meaning but are rather based on political motives." He thus indicated that the exercises are mainly intended to hamper the forthcoming presidential election in Taiwan. Regarding the report that China also conducted live-ammunition military exercises, Kato explained that he summoned to MOFA a counselor at the Chinese Embassy in Japan on 11 March to reiterate a demand that China "take a restrained action."

Tokyo, Moscow Sign Joint Space Experiment Agreement

OW1203134696 Tokyo KYODO in English 1216 GMT 12 Mar 96

[FBIS Transcribed Text] Tokyo, March 12 KYODO —- The National Space Development Agency of Japan (NASDA) and the Russian Space Agency signed an agreement Tuesday [12 March] to place two pieces of Japanese experimental equipment on the orbiting Russian space station Mir later this year, NASDA officials said.

The equipment will stay on the space station for two and a half months.

One piece of equipment will contain cell cultures to test the effects of space radiation on living matter and determine how genes are damaged and repaired.

The other will be placed inside Mir as part of an experiment into how tiny organisms replicate. It is part of research into the control of hygiene in a confined enclosure in space.

An unmanned Russian cargo vehicle will lift the equipment to mir in mid-October, the officials said.

Data gathered by the equipment will then be returned to earth on the manned spacecraft Soyuz TM in late December.

The findings are expected to be of use in biological experiments in a laboratory Japan is to build and operate on an international manned space base whose construction is due to start next year, the officials said.

Japan: Government Making 'Final Effort' on Deregulation Measures

OW1303132496 Tokyo KYODO in English 0841 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — The administration of Prime Minister Ryutaro Hashimoto is making a final effort to revise a package of deregulation measures at the end of this month because of differences of interest, government sources said Wednesday [12 March].

But decisions on many key issues, such as the proposed split of Nippon Telegraph and Telephone Corp. (NTT) into smaller entities, are likely to be put off, the sources said.

At the end of March 1995, the government adopted a package of deregulation measures subject to an annual review.

A project team on administrative reform in the tripartite ruling coalition is set to take advantage of the review to accelerate the pace of deregulation, especially given the strong public criticism of the Finance Ministry and other bodies over the question of insolvent "jusen" housing loan companies, they said.

But the coalition parties and the government are too busy with the jusen problem to make the necessary coordination.

Although the coalition is discussing key issues such as plans to split NTT and remove a ban on the establishment of holding companies, they said any substantial agreement on them is unlikely by the end of March in view of opposition by the Social Democratic Party, the second-largest component of the alliance.

The officials also noted that little progress has been made in debate on proposals to ease the entry of newcomers into the securities industry and liberalize the commercial service of recommending posts to job seekers.

The United States has already warned that deregulation measures under consideration by the Japanese Government are vague.

Whether the government can revise the package in a meaningful way depends on Hashimoto's leadership, the sources said.

Japan: Kubo Meets Banker To Discuss 'Jusen' Issue

OW1303124396 Tokyo KYODO in English 1106 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — - Finance Minister Wataru Kubo said Wednesday [13 March] he met with Toru Hashimoto, chairman of the federation of bankers associations of Japan, earlier in the day to exchange views on the bad-loan issue at seven troubled "jusen" mortgage companies.

It was the first meeting between the head of the banking industry and Kubo, who has been showing a tough stance toward the responsibility of banks that founded the virtually bankrupt mortgage companies.

At a regular press conference after meeting with Hashimoto in the morning, Kubo said he had directly conveyed his view on the mortgage-firm issue to Hashimoto, who is president of Fuji Bank.

Kubo said he told Hashimoto that the founding banks have to clarify responsibility for the housing loan fiasco, taking into account their social role.

The banking industry has been doing what it can since it is fully aware of the heavy responsibility of banks, Kubo quoted Hashimoto as saying.

Under a government-brokered scheme, the mortgage companies which are saddled with huge problem loans will be liquidated with the help of taxpayers' money. The nation's major commercial banks, including Hashimoto's Fuji Bank, are among the founders of the moribund mortgage companies.

The founding banks will write off all loans they made to the mortgage companies when the latter are liquidated under the government's scheme.

The banks will also make loans to a factoring organization that will take over and recover mortgage company loans, and make contributions to a special fund to be created by the private sector to help cover any losses incurred in the loan recovery process.

In recent news conferences and Diet sessions, Kubo has repeatedly said the role of the founding banks should not end there.

His remarks have been construed as meaning the founding banks should shoulder greater burdens or that top executives of the banks should resign to take responsibility for the bad loan mess.

At Wednesday's press conference, Kubo said he understands that Hashimoto intends to remain president of Fuji Bank and consider further measures the industry should take.

Kubo also said he is ready to meet again with Hashimoto to discuss the jusen problem.

Hashimoto visited Kubo to greet him as the leader of a group of private financial institutions in the Asia-Pacific Economic Cooperation (APEC) forum.

Hashimoto will submit a report on the role of the private sector in regional development to a meeting of APEC finance ministers to be held in Kyoto on Saturday and Sunday.

Kubo said he himself brought up the jusen issue during his 20-minute talk with Hashimoto.

At the end of February, Vice Finance Minister Tadashi Ogawa met top executives of the founding banks, including Hashimoto, to convey Kubo's view of the bad loan mess, tacitly calling for their resignation.

The step, however, has caused controversy, with the banking industry criticizing the finance ministry for interfering in personnel issues at private companies.

At recent news conferences, Hashimoto repeatedly said he has no intention of stepping down and that he will fulfill his responsibilities by making utmost efforts to dissolve the mortgage companies.

Japan: Speaker Doi Urges Parties To Resolve Diet Deadlock

OW1203144796 Tokyo KYODO in English
1325 GMT 12 Mar 96

[FBIS Transcribed Text] Tokyo, March 12 KYODO — - House of Representatives speaker Takako Doi urged leaders of the ruling and opposition parties Tuesday [12 March] to end the nine-day Diet deadlock over a government plan to liquidate seven failed "jusen" housing loan companies with taxpayers' money.

Doi asked the secretaries general of the three coalition parties to start negotiations with the opposition over the schedule for budget debates at the House of Representatives, coalition officials said. The fiscal 1996 budget includes the jusen liquidation plan.

Koichi Kato of the Liberal Democratic Party (LDP), Kanju Sato of the Social Democratic Party (SDP) and Yukio Hatoyama of New Party Sakigake [Harbinger] accepted the speaker's request, the officials said.

However, Takashi Yonezawa, secretary general of the main opposition party Shinshinto (New Frontier Party), told reporters that there was no progress at his meeting with Doi.

Shinshinto members began their sit-in at the lower house budget committee room March 4 to block passage of the 75.1 trillion yen budget featuring the use of 685 billion yen in taxpayers' money for the seven failed jusen.

Shinshinto is demanding the 685 billion yen be erased from the budget.

Yonezawa told a press conference that if Doi tries to have picketing Shinshinto members removed by force, there would be turmoil.

Earlier in the day, the heads of the coalition parties — Prime Minister Ryutaro Hashimoto of the LDP, former Prime Minister Tomiichi Murayama of the SDP and former Finance Minister Masayoshi Takemura of Sakigake — agreed not to make any concession to opposition demands.

Japan: Hashimoto Cabinet's Support Rate Plunges to 43 Percent

OW1303092396 Tokyo KYODO in English
0805 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 KYODO — - The support rate for the cabinet of Prime Minister Ryutaro Hashimoto has skidded sharply to 43.3 percent from 63.0 percent in a January survey, results of a KYODO news poll showed Wednesday [13 March].

The disapproval rate for the two-month-old Hashimoto cabinet, meanwhile, soared to 45.9 percent from 29.2 percent.

This is only the fourth time in the past three decades that a cabinet's support rate has fallen below its disapproval rate.

Political analysts attributed the plunge in the support rate chiefly to public discontent with a government plan to use 685 billion yen in taxpayers' money in the liquidation of seven failed housing loan companies, or "jusen."

KYODO conducted the poll through direct interviews Saturday and Sunday covering 3,000 people aged 20 and older, of whom 2,036 or 67.9 percent responded. The January poll was conducted through telephone interviews with a smaller number of voters.

Even those who back Hashimoto are lukewarm in their support, with 38.5 percent saying they back him for lack of a better alternative, far more than the 16.8 percent who said they trust the premier.

Among nonsupporters, 17.7 percent said they do not like the ruling coalition, 15.5 percent said they have no confidence in Hashimoto's economic policy, and 15.5 percent did not approve of his political reform program.

Hashimoto's Liberal Democratic Party (LDP), the largest party in the coalition, was supported by 30.8 percent, down 3.4 points from a December survey by KYODO.

The main opposition party Shinshinto (New Frontier Party), which is blocking passage of budget bills, which include the "jusen" outlay, enjoyed a 16.7 percent support rate, up 2.5 points from December.

The LDP's ruling coalition partner, the Social Democratic Party (SDP) led by former Prime Minister Tomiichi Murayama, also suffered a major loss of support. The SDP's support rate plunged 5.1 points to 5.0 percent, its lowest-ever figure.

New party Sakigake [Harbinger], the smallest force in the tripartite ruling coalition, posted a slight climb to 3.4 percent from 2.8 percent.

Support for the Japanese Communist Party rose to 3.8 percent from 2.7 percent.

Japan: Hashimoto Cabinet's Support Rate Drops Over 'Jusen'

OW1303035396 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 Mar 96 Morning Edition p 1

[FBIS Translated Text] NIHON KEIZAI SHIMBUN conducted a nationwide telephone poll on 8-10 March. The survey found the approval rate for the Hashimoto cabinet had plunged to 36.7 percent from the 54.3 percent recorded in the previous poll it conducted immediately after the inauguration of the cabinet in January. The disapproval rate, meanwhile, was 40.2 percent.

Only 9.4 percent of respondents agreed with the government's plan in the FY96 budget bill to use 685 billion yen of taxpayers' money to liquidate failed housing loan firms (known as jusen), calling it "inevitable." However, 41.7 percent called for a freeze on the plan. The poll also found the public negative about an early dissolution of the House of Representatives for a general election. The percentage of those who felt "the government should give priority to boosting the economy and fulfilling other tasks" was 71.1 percent, 6.0 percentage points up from the previous poll.

The survey, which covered 3,000 men and women 20 years or older across the nation, had a response rate of 59.1 percent.

The disapproval rate is almost twice as high as the 21.7 percent recorded in the last poll, and exceeded the approval rate by 3.5 percent. Asked why they did not support the Hashimoto cabinet, 48.8 percent blamed the administration's "bad policies." This is up on the 29 percent figure recorded in the last poll. The results show the Hashimoto cabinet has lost popularity because of its poor handling of the jusen issue.

The percentage of those looking for an early dissolution of the house for a general election declined from 28 percent to 23.5 percent, indicating that many eligible voters oppose the idea.

While 40 percent of respondents demanded the freezing of the jusen liquidation plan in the FY96 budget bill, 22.1 percent called for a revision of the budget bill to reduce the amount used in the liquidation plan. Only 21.6 percent backed the New Frontier Party's [NFP] proposal not to use public funds in the jusen liquidation plan. As many as 69.7 percent said they would "base their voting at the next general election on the jusen issue."

Approval rates for political parties were as follows: The Liberal Democratic Party — 39.2 percent, 2.6 percentage points down from the previous poll; The Social Democratic Party [SDP] — 9.4 percent, 2.1 percentage points down; and the NFP — 14.4 percent, no change from the last poll. On the SDP's plan to form a new political party, 67.2 percent had "no hope" or "little hope" for the success of the plan. Meanwhile, 66.6 percent "rated low" the actions of the NFP under the leadership of Ichiro Ozawa.

On the proposal to revise the House of Representatives' single- seat constituency system, combined with proportional representation, 46.3 percent want "the next general election held under the single-seat constituency system," while 38.2 percent demanded a "return to the multiple-seat electoral system."

Japan: Article Views Ministry of Finance Power

OW1203140396 Tokyo SHUKAN DAIYAMONDO in Japanese 16 Mar 96 pp 136-137

[Article by Tadahide Ikuta from the "Deep Structure of Kasumigaseki" series: "MOF's Political Power Declining, Beset by 'Both Internal and External Problems'; Its Position as Bureaucrats' 'Political Department' Starting To Crumble"]

[FBIS Translated Text] A ranking official of a government office told me Jiro Saito, former administrative vice minister of finance, has gotten a lot more gray hair recently.

Pressured by the Liberal Democratic Party [LDP], Saito had to resign from his post last June with only a month left before formal retirement. He must have regretted to leaving like that. Saito used to be extolled as "a great administrative vice minister we can find only once in 10 years" and his "strong arm" way of leading his subordinates was well known in and outside the Ministry of Finance [MOF].

But the people around him think the reason his hair has turned so gray is not just he had so much tough time to getting along as a competent vice minister of finance. A ranking official of the MOF remarked:

"Probably, Mr. Saito was shocked very much by what happened to Mr. Hiroaki Taya (former chief of Tokyo Customs Office who was forced to resign over a scandal of accepting inordinate entertainment).

"Mr. Saito was so fond of Mr. Taya.

"After Mr. Taya was reassigned to the MOF's Secretariat [in the preliminary step of being fired], Mr. Saito was known to have had drinks with Mr. Taya many times and to have lamented, 'Why did you have to drink so much that you could not even clean your ass.'"

But actually within the MOF there are not so many voices of people regretting Saito's departure. There appear to be more people speaking sympathetically of his successor, former Vice Minister Kyosuke Shinozawa, who had to retire suddenly at the end of December [1995] for the officially given reason of "the purpose of bringing change to the people's thinking" about the MOF.

A director of an MOF division said: "Mr. Shinozawa resigned the day after Mr. Taya retired. Of course, the reason he resigned was not the scandals involving Mr. Hideo Nakajima (former director of the Institute of Fiscal and Monetary Policy) or Mr. Taya.

"In an action to deal with the problem of jusen (housing loan companies), Mr. Shinozawa and Yoji Wakui, director of the MOF Secretariat, held discussions and decided on using 685 billion yen from public funds. He had to do that because Banking Bureau Director General Masayoshi Nishimura whose bureau was in charge of the matter was unable to handle it. Mr. Shinozawa took responsibility for that decision."

Shinozawa is said to have not changed much since his retirement and to be as nonchalant as he used to be. But if Saito is so regretful about Taya's "fall," then we should be able to assume Shinozawa has similar emotions on the "fall" of Nakajima who is supposed to have been very close to him.

Nakajima was obliged to resign after being found to have been involved not only in an inordinate entertainment scandal but also in a problem of fund operations irregularity. When MOF Secretariat Director Wakui and other people pressed on him to resign, he was said to become very upset and to have cried: "Why is the MOF not defending me?"

Since what he said asserted in a round-about way that "I was not the only bad guy," the top officials of the ministry were said to have been very much shocked by it. Naturally, the report got to Shinozawa who was then the vice minister, and he loudly wondered to the people around him "What has happened to Nakajima?"

Anyway, it appears that the MOF is now not only exposed to criticism from outside, but also unable to make moves as much as it likes inside the ministry because of complicated human relations problems there. MOF Used To Function as Kasumigaseki's "Political Department," But That

Function Was Paralyzed by Officials' Scandals and Jusen Issue

A former official of the MOF described the weakening of the MOF power as follows:

"It appears that MOF had not had the information on Prime Minister Tomiichi Murayama's intention to resign on 5 January, even though MOF Minister Masayoshi Takemura had known about it.

"If the MOF people had had that information, the timing for resignation of Shinozawa could have been changed. If it had been the MOF of old days, it would have gotten hold of such very important political information. This means the power of that ministry has weakened even with respect to the function of gathering information."

As a matter of fact, in the government town of Kasumigaseki, the MOF used to overwhelm other ministries in the agility of collecting information and the accuracy of the information it collected. Using that information, the MOF has been able to take political action well in advance, thus precluding any possible action by other ministries.

In other words, the MOF can be said to have performed the role of a "political department" for all of Kasumigaseki. Kasumigaseki may have been a place where officials did not mind spending days and nights fighting for the individual interests of their ministries, but when something which concerns the whole bureaucratic system came up, they got together and united in getting to their common goals, working primarily through their administrative vice ministers' meeting. And in that process it used to be the MOF's role to do politicking and do the job of persuading politicians.

But the present condition indicates that the MOF is no longer able to move around as it used to, and the Kasumigaseki "political department" is in paralysis. A deputy minister of an economic ministry admitted:

"Until late last year, the atmosphere had been that of saying 'you, the people of the MOF, cheer up,' but it has since turned into that of acquiescing in the given situation.

"We can't predict what will happen, but what we are thinking now is that the MOF will probably have to undergo a structural reform. We hope that the MOF, following that reform, will regain its vitality."

MOF's Decline Can Mean Beginning of Fight Among MOF, MAFF, MOL

In the past, ranking officials of the MOF Budget Bureau have always referred to the three ministries — "the MOF, the Ministry of Agriculture, Forestry, and Fisheries [MAFF], and the Ministry of Labor [MOL] — as the most "politically strong" government offices. The word "strong" here means that these offices do not succumb to unreasonable demands from politicians.

It also means that these offices do not mobilize politicians to push their own interests or to get their way. In other words, it means they are offices which could work well with the MOF Budget Bureau.

Among these three, the MOL is known best for having big pipes of connection with both ruling and opposition parties as well as for having performed well as a mediator in labor disputes during the days when the labor-employer disputes were rampant. The ministry probed for compromise points between conflicting parties and presented the administration's proposal to the involved parties at the final and crucial moments of their disputes. Having done so many mediations in disputes, the MOL used to be known as an office good at handling politicians. In fact, it still is well known for that.

Now let us take a look at the MAFF. The ministry is said to have clashed hard with the MOF over the question of what to do with the jusen. But has the relationship between the MAFF and the MOF deteriorated as a result of it?

A ranking official of the MAFF referring to his ministry's relations with the MOF said:

"I think there has been no change in the trust relationship between the MOF and ourselves. We are getting along well with the people of the MOF Budget Bureau just as we have been in the past.

"The problem in dealing with the jusen issue stems primarily from the irresponsible position of the jusen's main investor banks. To be sure, the MOF did make some mistakes, but we and the MOF between ourselves agree that really 'these investor banks are the bad ones.'

"The MOF does not think the MAFF had pushed its position on the jusen issue in order to rescue the agricultural banking institutions with the help of politicians."

Anyway, as seen in his remarks, the MAFF officials appear unconcerned. The director general of a bureau in that ministry explained the "secret" for their being able to remain unconcerned as follows:

"Our ministry never flaunts policies on advertising balloons. If we do such a thing, we get clobbered by both the ruling and opposition parties. When we decide on new policies, we first hand them over to dietmen of ruling and opposition parties. Then these dietmen find out what the farmers and fishermen in their constituencies think about the new policies. By doing so, they are also letting the people know about the forthcoming new policies in advance."

Of course, this actually represents also the desperate efforts of the ministry to placate nosui zoku [dietmen lobbying for the farming and fishery industry] who hold the largest number of seats in the Diet. As far as the funds required to subsidize these policies are concerned, after all, the MAFF bureaucrats will have to consult with the MOF Budget Bureau.

Even over the question of how to resolve the jusen problem, although the MAFF officials acted as if they were fighting and confronting the officials of the MOF, in fact they probably persuaded the nosui zoku, using scenarios drawn up in consultation with the MOF officials.

As seen above, of the three "politically strong" bureaucrats' families, the two — the MAFF and the MOL — evidently remain as strong as before. But in view of the nature of administrative functions they are involved in, they will not be able to replace the MOF in performing the job as Kasumigaseki's "political department."

Then, will Kasumigaseki run without a "political department"? A middle-level official of the Ministry of International Trade and Industry [MITI] said:

"If our MITI were the MITI of the past, it could replace the MOF and take initiatives in such areas as producing economic stimulus measures.

"Now we think it possible that "extremists" in the Ministry of Posts and Telecommunications and the Ministry of Home Affairs will rise up to try to take this chance as a time to sink the MOF from its foundation."

One way or another, the MOF will eventually come to regain its composure and get settled. But in the meantime, it is possible to think some offices will come out ahead for a bigger share of power.

North Korea

DPRK Foreign Ministry Spokesman on U.S. Human Rights Report

SK1303085996 Pyongyang KCNA in English 0849 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea was interviewed by KCNA today over the "annual report on human rights" published by the U.S. State Department recently, in which it charged the Democratic People's Republic of Korea with the "human rights problem."

The spokesman told KCNA:

In the March 6 "report" the U.S. State Department reportedly outlined the human rights situation of various countries and groundlessly took the issue with the DPRK.

Casting itself as a "judge of human rights", the United States has fabricated such a "report" every year, willfully misrepresenting and slandering other nations' situation of human rights. However, it is not fitting for the U.S., harassed by the most serious human rights problem in the world, to do such a thing.

The "report" made by the U.S. unilaterally is hardly a matter of argument.

This is why the document has been rejected and ridiculed in the world.

What is more ridiculous is that the authorities of South Korea, universally recognized as a graveyard of human rights, are following their masters in accusing the North of the "human rights problem."

Nobody can deny that ours is a people-centred socialist society where human rights are ensured to the full.

It is the unshakable will of our people to steadfastly defend socialism, which they chose and safeguarded.

DPRK: ROK Students Condemn U.S. Role in Kwangju Incident

SK1003083596 Pyongyang KCNA in English 0616 GMT 10 Mar 96

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA) — The Seoul and Western District Federation of University Student Councils including Yonsei University, Sogang University and Ehwa Women's University held a meeting at Myongji University on March 7 to strongly condemn the unreasonable U.S. action during the Kwangju uprising in May, 1980, according to a Seoul-based radio report.

The federation said it was "an inhuman act betraying people's will for democracy" that the United States allowed the participation of "martial law troops" in the May 18 incident. The organisation demanded a clear probe into the truth and a responsible apology.

DPRK: Sochongnyon Chairman on Resolve for Anti-U.S. Struggle

SK1103035896 Pyongyang KCNA in English 0259 GMT 11 Mar 96

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — Pak Pyong-hun, newly elected chairman of the Seoul District Federation of University Student Councils (Sochongnyon) of South Korea, renewed his determination to more vigorously struggle for national reunification and against the U.S. on March 9, according to a Seoul-based radio report.

He, who is also chairman of the Student Council of Yonsei University, worked as the acting chairman of Sochongnyon.

He vowed to stage a brisk struggle of students for reunification and against the U.S.

At a conference of its delegates on the same day Sochongnyon set forth immediate tasks such as abolishing unequal terms in the South Korea-U.S. "status-of-forces agreement."

DPRK: 6-8 Mar 'War' Exercises in ROK Reported

SK1203101796 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 9 Mar 96

[FBIS Translated Text] According to a military source, the South Korean puppets have frantically staged a war exercise in frontline areas, provoking us.

At around 1000 on 6 March and at around 1300 on 8 March, the puppets deployed a group of tens of heavy tanks and a group of armored carriers to the central section of the frontline in Oechon- ri, Chorwon, Kangwon Province of South Korea and to the western section of the frontline in Paengnyon-ri, Paju County, Kyonggi Province and perpetrated war frenzies, while staging a mobile war exercise openly in broad daylight.

Timed to coincide with this war exercise, at around 1030 on 6 March, a puppet Army group of heavy tanks stationed at a base for launching attacks in Kumpa-ri, Paju County, launched an attack in the direction of the DMZ and fired approximately 50 rounds.

At around 1000 on 8 March, tens of transport helicopters carrying numerous commandos flew to the sky over Paengnyon-ri and Chonwon-ri of Paju County and frantically staged an airlifting exercise simulating an infiltration into our central region.

Meanwhile, on 6 and 7 March, a puppet army group of 105mm and 155mm artillery pieces that was deployed in firepower batteries at Chungsa-ri and Kwangdong-ri of Yonchon County and Hwangsa-ri and Yullyu-ri, Chorwon County, Kangwon Province of South Korea, fired approximately 350 cannon rounds to targets close to the DMZ and made threats against us.

On 7 and 8 March, armed villains of the puppet army deployed in the western section of the frontline at Pangmok-ri and Osang-ri of Paju County and Tongjung-ri of Yonchon County and unnamed heights close to the DMZ in the eastern section of the frontline at Kajon-ri of Inje County fired approximately 4,800 rounds of 12.7mm large- caliber machine guns and automatic rifles and inspired confrontation.

This is a grave challenge by the bellicose Kim Yong-sam ring to all the fellow countrymen's unanimous desire for peaceful reunification.

DPRK: ROK Economic Opening Brings 'Dependence,' 'Bankruptcy'

SK1103142696 Pyongyang KCNA in English 0942 GMT 11 Mar 96

["Bankruptcy of S. Korean Economy Is Outcome of Traitor's Flunkeyist Policy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — NODONG SINMUN in a by-lined article today disclosed the flunkeyist, traitorous and fascist nature of Kim Yong-sam, who has plunged the South Korean economy into an abyss of total ruin.

Pointing out that the South Korean economy, during the traitor Kim Yong-sam's three-year-long office in power, has been utterly reduced to a dependent colonial economy and military appendage of the U.S., the author of the article says:

Soon after he took office, the traitor Kim Yong-sam set forth various kinds of economic policies, traitorous and deceptive, talking as if he could bridge over the economic crisis.

Under the deceptive slogans "reform" and "opening", the traitor liberalized all markets of the South Korean economy for foreign countries, which fanned the economic crisis.

Under the plea of hastening the "globalization", he has deepened the economic dependence.

In actuality, agriculture hit rock bottom with the liberalization of farm market, and the opening of capital market made foreign capital predominant, whereby all economic sectors have been crawling along the bottom.

Foreign debts have been soaring high because of the all-out opening of economy and the shrinking of export. South Korea remains the world's largest debtor.

Prices of consumer goods go up markedly while the workers' wages remain fixed. An increasing number of people commit suicide, unable to endure hardships in life.

As seen above, the economic "boom" and "development" advertised by the traitor Kim Yong-sam are empty talk.

DPRK: ROK Opposition Exposes Ruling Party's 'Election Frauds'

SK1103142296 Pyongyang KCNA in English 0929 GMT 11 Mar 96

["S. Korea: Opposition Lays Bare Kim Yong-sam Group's 'Election' Frauds" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — The Kim Yong-sam group's "election" frauds have come under fire by the South Korean opposition parties, a Seoul-based radio said.

The Democratic Party called on March 8 for an immediate investigation into the fact that the "secretary general" of the "New Korea Party" had distributed to the voters watches inscribed with his name asking for support.

The "United Liberal Democrats" criticised the ruling party for taking the lead in fraudulent "election" campaign and demanded it open the detailed facts to the public.

DPRK Dailies Denounce NKP's 'Deceptive' Election Commitments

SK1203044896 Pyongyang KCNA in English 0337 GMT 12 Mar 96

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — Pyongyang- based newspapers today lay bare the deceptive nature of the "ten tasks" and "100 commitments" published recently by the "New Korea Party" of the traitor Kim Yong-sam for the forthcoming "National Assembly election."

A news analyst of NODONG SINMUN says:

The "commitments" of the gang of the "New Korea Party" (NKP) are ill-natured and deceptive ones intended to get an upper hand in the forthcoming "National Assembly election" by dispelling their ill fame which was caused by their involvement in the secret fund scandal and courting faith of the people.

The "NKP," the successor to the notorious "Democratic Liberal Party," is an out-and-out treacherous and anti-people fascist dictatorial party and its "President" Kim Yong-sam is a traitor and fascist tyrant without an equal in the world and a special-grade kingpin of thieves.

The traitor Kim Yong-sam and his "NKP" have made many commitments to "people's welfare," "stabilisation of life" and others. But in actuality, none of them has been implemented.

It is as clear as noonday that the "National Assembly election" will become a court of people's judgment on the traitor Kim Yong-sam and his "NKP."

Feeling uneasy about this, the Kim Yong-sam group is making one deceptive commitment after another.

A signed commentary of MINJU CHOSON says that the commitments of the political party of gangsters are nothing but a deceptive propaganda to get more votes in the "election" by currying favour with the people.

DPRK Paper Blames Kim Yong-sam for Blocking Dialogue

SK1303044496 Pyongyang KCNA in English 0428 GMT 13 Mar 96

["Traitor Kim Yong-sam Has No Face to Talk About Dialogue" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — The traitor Kim Yong-sam, when he made a tour of some Asian nations some time ago, clamoured about fictitious "military threat from the North" and entreated them to render an "active help" for the "resumption" of the North-South dialogue.

Branding this as a sophism and rigmarole to justify his clique's anti-national crimes in seeking confrontation and division and putting spurs on preparations for war against the North, a news analyst of NODONG SINMUN today says:

To incite confrontation under the pretext of fictitious "threats from the North" is a trite method employed by the puppets whenever they find themselves in the serious crisis of their colonial fascist rule and the struggle of South Korean people for independence, democracy and reunification grows strong.

It is none other than the traitor Kim Yong-sam who blocked and froze various channels of inter-Korean dialogues by frantically staging North-targeted war exercises with outcries over the fictitious "nuclear suspicion of the North", declining the DPRK's offer for reconciliation, unity and dialogue.

What the South Korean puppets seek in vociferating about "peace" and "resumption of dialogue" is to conceal their true color as a disturber of peace and a wrecker of North-South dialogue. This clamour is precisely a slogan of confrontation, division and war.

The traitor Kim Yong-sam is loud-mouthed about "resumption of dialogue" in a bid to shift the responsibility for the failure of the inter-Korean dialogue onto the North. This reveals their cunning intention to extricate themselves from the crisis by misleading the public opinion at home and abroad and winning "support" from others and hinder the improvement of DPRK-U.S., DPRK- Japan relations by intensifying anti-DPRK confrontation and war moves.

Only disgrace and self-destruction will go to the Kim Yong-sam group, who are running headlong along the road of treachery and war, shunning unanimous aspirations and demands of the nation.

DPRK: 'Kim Yong-sam Group' Denounced for Suppressing ROK Students

SK1003083496 Pyongyang KCNA in English 0620 GMT 10 Mar 96

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland made public Information No. 706 on March 9 denouncing the Kim Yong-sam group for more undisguisedly intensifying the suppression of students who turned out in the struggle for independence, democracy and reunification.

The Kim Yong-sam group are cracking down on the students, who took the lead in putting them on the defensive with the approaching of the puppet National

Assembly election, and putting even the students, who formed ideal circles behind bars, by invoking the "National Security Law" in a bid to turn the tide. [sentence as received]

The information said:

The Kim Yong-sam group which are handcuffing students who longed for socialism are a gang of rare fascists who do not care for democracy and human rights.

The traitor Kim Yong-sam is ruthlessly suppressing the students longing for the socialist system in the North by branding them as "criminals". This clearly shows once again that the traitor is indeed the enemy of the nation who negates national reconciliation and unity and seeks inter-Korean confrontation.

The Kim Yong-sam group must discard the anti-national consciousness of confrontation, immediately release the students who were unreasonably arrested on charge of violating the "National Security Law", the evilest law, and stop the fascist suppression of the students.

DPRK: Pomminnyon Writes 'Protest Letter' to Kim Yong-sam Regime

SK1303102196 Pyongyang KCNA in English 0841 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — The South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) said in a protest letter to the Kim Yong- sam regime that Pomminnyon would fight to the last for the country's reunification, unaffected by any suppression, according to a report.

The letter was published at a rally held on February 23 to mark the 1st anniversary of the formation of the headquarters.

The South and the North should be united and have negotiations, transcending differences in idea and ideal, it said, adding Pomminnyon reaffirms that this is a basic way and a fundamental principle for the country's reunification.

Pomminnyon would continue conducting its activities to unite the 70 million fellow countrymen, it noted, and went on:

"The Kim Yong-sam group is aggravating military tension, clamouring about 'military threat from the North'. This deserves stern national criticism. Peace and reunification of the nation is more important than any political interest. No bayonet and honeyed words can break the nation's desire.

"If they think that Pomminnyon will break down after arrest of some of its cadres, they are grossly mistaken."

DPRK: VNS: Pro-Kim Chong-il Literature Found in ROK

SK1203100296 Pyongyang KCNA in English 0938 GMT 12 Mar 96

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — Many copies of literature expressing reverence for the great leader Comrade Kim Chong-il were found around barracks of a company of the 12th Division of the South Korean puppet army, Seoul-based Radio Voice of National Salvation [VNS] quoted the Kangwon provincial committee of the National Democratic Front of South Korea (NDFSK) as saying in its information.

The literature scattered in the name of the Society of Patriotic Fellow Soldiers, contained in the upper part of the front page letters "Holiday common to the nation" and "February 16 is the 54th birthday of General Kim Chong-il, supreme commander of the Korean People's Army. Let us wish a long life in good health to the respected General Kim Chong-il, who defends the dignity of the nation by means of independence in national defence." Seen in the lower part were letters "Let us follow and hold in high esteem General Kim Chong-il, the lodestar of national reunification."

In the upper part of the back page the literature carried letters "General Kim Chong-il is the greatest brilliant commander who has prepared the Korean People's Army so strongly with his outstanding tactics of building up and commanding the Army that each of the Army can match a hundred foes."

DPRK: German Asia-Pacific Business Association Opens Office

SK1303103296 Pyongyang KCNA in English 0955 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — The Pyongyang office of the German Asia-Pacific Business Association was opened here today with due ceremony.

Present at the ceremony were Yi Song-tae, chairman of the State External Economic Affairs Commission, Yi Paek-sok, vice-chairman of the DPRK Committee for the Promotion of International Trade, officials concerned and a delegation of the German Asia-Pacific Business Association led by its President Edgar E. Nordmann [name as received] on a visit to Korea.

The participants were shown round the Pyongyang office.

The opening of the office will help develop the relations of economic cooperation between Korea and Germany.

A reception was given on the occasion of the opening of the office.

DPRK Proposal for Peace, National Unity Supported Abroad

SK1203095996 Pyongyang KCNA in English 0935 GMT 12 Mar 96

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — Foreign public circles have supported the proposal put forward by political parties and organizations of the Democratic People's Republic of Korea at a joint meeting to make this "a year of peace and great national unity."

The Madagascan solidarity committee, in a statement, hoped that political parties, organizations and people from all walks of life in the North and the South of Korea and overseas would win greater victory in their struggle for a durable peace in the Korean peninsula and the reunification of the country through confederation. It also voiced full support and firm solidarity for their struggle.

Chitta Biswas [name as received], general secretary of the All-India Peace and Solidarity Organization, in a statement, urged the South Korean authorities to lend an ear to the proposal, abolish the "National Security Law," which obstructs great national unity, release democrats and patriots and pull down the concrete wall, thus creating a climate of dialogue for reunification.

He also demanded that they immediately accept the realistic and reasonable proposal for founding the Democratic Confederal Republic of Koryo.

DPRK's New Peace Proposal Supported in Peru

SK1303095196 Pyongyang KCNA in English 0831 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — Twenty political parties and organizations of Peru including the Communist Party, the Socialist Revolutionary Party, the National Liberation Front and the General Federation of Workers issued a joint statement on March 6 supporting the new peace proposal of the Democratic People's Republic of Korea for the conclusion of a tentative agreement with the United States, which is a signatory to the Korean Armistice Agreement.

The statement said the DPRK Government's proposal was aimed at dispelling the danger of armed conflict and war and keeping the armistice in state of peace in the Korean peninsula.

It strongly urged the United States to unconditionally and immediately accept the just and reasonable proposal put forward by the DPRK Government to replace the old armistice system, whose function has already been paralyzed, with a new peace mechanism.

It appealed to the world's progressive people, political parties and organizations that love peace and justice to express full support and solidarity for the DPRK Government's just proposal and sincere efforts for defusing tension and ensuring a durable peace and security in the Korean peninsula.

DPRK: Pakistan Builds Power Station With DPRK Technical Aid

SK1303052196 Pyongyang KCNA in English 0411 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — The Kathai hydraulic power station has been built by technical assistance of the Korean South-South Cooperation Company under an inter- governmental agreement between the Democratic People's Republic of Korea and Pakistan.

A ceremony for the completion of the project took place on March 6.

Addressing the ceremony, Chief Minister of Kashmir Province Shardar Mohammad Abdul Qayyumskhan said the power station would be a symbol of friendship between the peoples of Pakistan and the DPRK.

He also said the DPRK had become a powerful country well known in the world for its industrial potential and competent technicians.

DPRK: Jordanian Parties Support DPRK's Model for Peace

SK1203044596 Pyongyang KCNA in English 0332 GMT 12 Mar 96

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — The National Action Front Party of Jordan and the Arab Islamic Democratic Movement of Jordan expressed support for a new peace mechanism proposed by the government of the Democratic People's Republic of Korea.

In a joint statement March 5, they hailed the DPRK Government's efforts for stabilizing the situation of the Korean peninsula and, furthermore, achieving peace and security in the northeastern Asian region.

"We urge the United States, which is a signatory to the Korean armistice agreement and is directly responsible for peace in the Korean peninsula, to respond favorably to the DPRK Government's proposal for a new peace mechanism," they said.

DPRK: Serbia's Milosevic Receives WPK Delegation

SK1203133396 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 10 Mar 96

[FBIS Translated Text] Slobodan Milosevic, president of Serbia and chairman of the Socialist Party of Serbia, received a Workers Party of Korea [WPK] delegation led by Chi Chae-yong, vice director of a WPK Central Committee, on 3 March.

On this occasion, the head of the WPK delegation conveyed the great leader [widaehan yongdoja] Comrade Kim Chong-il's greetings to President Slobodan Milosevic. The president expressed his deep appreciation for this and said that he and the Socialist Party, government, and people of Serbia wished Comrade Kim Chong-il, the great leader [widaehan yongdoja] of the DPRK people, a long life and good health and great achievements in his noble work of leading the party and state.

The president went on to say: We express our deep appreciation to respected Comrade Kim Chong-il for having sent a WPK delegation to the Third Congress of the Socialist Party of Serbia. We are still recalling with emotion the time the great leader Comrade Kim Il-song visited Yugoslavia to further consolidate the friendship between the people of the two countries. We cannot but express our admiration for the fact that the DPRK party and people are firmly and strongly maintaining independence under complex circumstances.

In conclusion, he stressed the need to develop relations of friendship and cooperation between the two countries.

DPRK: SPA Chairman Yang Hyong-sop Meets Zaire Delegation

SK1003084096 Pyongyang KCNA in English 0609 GMT 10 Mar 96

[FBIS Transcribed Text] Pyongyang, March 10 (KCNA) — Yang Hyong-sop, alternate Politburo member of the Central Committee of the Workers' Party of Korea and chairman of the Supreme People's Assembly, met and had a talk with the delegation of the Lumumba Democratic Party of Zaire led by its Secretary General Ngoy Nduba Kamatanga at the Mansudae Assembly Hall on Saturday.

The secretary general said that his party aspiring after socialism is making efforts to find ideological direction in the chuche idea and carry on party activities on its basis and that they would learn a lot of things from Korea.

The Korean people have firmly defended freedom and independence, pushing aside maneuvers of the imperialists from a long time ago, he said, and continued:

"We will struggle to the last to defend the sovereignty of our country, following the example of Korea.

"Korea has set a great example for the world progressive people and the achievements and experiences gained by the Korean people strike the world with admiration.

"We are encouraged by the achievements of the Korean people and my party will always support all your struggle for the reunification of the country and the socialist construction."

DPRK: Pak Song-chol Meets Zaire Party Delegation

SK1103143096 Pyongyang KCNA in English 1001 GMT 11 Mar 96

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — Pak Song- chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, met and had a friendly talk with the delegation of the Lumumba Democratic Party of Zaire led by its Secretary General Ngoy Nduba Kamatanga at the Mansudae Assembly Hall today.

Present was Choe Chin-su, vice-director of a department of the WPK Central Committee.

The secretary general said that people of the world are highly respecting and revering the great leader of the Korean people Comrade Kim Il-song, who led the struggle for freedom and liberation of the people to a brilliant victory.

He sincerely hoped that the Great Leader Comrade Kim Chong-il would enjoy a long life in good health to wisely lead the just struggle of the Korean people.

DPRK: Kim Chong-il Sends Gifts to Grand People's Study House

SK1103035996 Pyongyang KCNA in English 0255 GMT 11 Mar 96

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — The great leader Comrade Kim Chong-il sent a large number of books, video and recording cassettes to the Grand People's Study House this year.

He sent 4,100 books and video and recording cassettes of 2,500 kinds in two months last.

He has sent a total of 176,000 books and video and recording cassettes of 79,200 kinds.

DPRK: VNS: More Literature Revering Kim Chong-il in ROK

SK1303094896 Pyongyang KCNA in English 0828 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — A great deal of literature in the name of the reunification and patriot society was scattered from a building in Chungang-tong in Chunchon city on the morning of February 10 to move people there, according to the Seoul-based Radio Voice of National Salvation [VNS] quoting information of the Kangwon Provincial Committee of the National Democratic Front of South Korea.

The literature said:

To the people, February 16 is a great national holiday, when the sun of the nation General Kim Chong-il was born.

It is the greatest honour and fortune for our nation to have General Kim Chong-il, who is respected by all people of the world, as the leader of the nation.

It is an immutable philosophy that when you follow the sun, you will live and otherwise you will die.

Loyalty to General Kim Chong-il, the sun of the nation, will lead to reunification and prosperity of the nation.

Let us extend warmest congratulations to him and wish him a long life in good health on the occasion of his birthday.

Long live the sun of the nation General Kim Chong-il!

DPRK: Kim Il-song Helped Develop DPRK Postal Stamps

SK1103142496 Pyongyang KCNA in English 0938 GMT 11 Mar 96

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — It is 50 years since the "Korean stamp" was published on March 12, 1946. The "Korean stamp", which is the only postage stamp of the country, was founded without a precedent and has continued to develop during the last 50 years.

The stamps comprehensively reflect the proud successes and exploits made by the Korean people in all the fields of political, economic, cultural and social life in the annals of the revolutionary development and the 5,000-year history of the Korean nation.

Busy as he was leading the construction of the country right after the liberation of the country, the Great Leader President Kim Il-song said that the stamp should be made in conformity with the reality of the country and life and sentiment of the people. He also elucidated its character, feature and fundamental principle in illustration and other problems in the creation and publication of the stamps.

The president wisely led the edition and publication of stamps in every period and every stage of the revolution.

The Great Leader Comrade Kim Chong-il has wisely led the contents and form of edition and publication to a new higher stage. He said the "Korean stamp" should comprehensively reflect the immortal revolutionary history and exploits of President Kim Il-song, the founder of socialist Korea, as well as the demands of the material and cultural life of the people and even their tastes so that stamps based on various themes could be edited and published. He also organised the creating staff with competent experts and provided a printing base equipped with modern facilities.

A lot of different stamps are published every year by the Korea stamp corporation.

The stamps have been highly appraised internationally for the refined art of drawing, the good composition, the fair artistic depiction and the high art of printing.

The Korean stamps "Korean painting 'Chipson Hill in Summer'" and "Jewel Painting 'Wisteria Flower and Puppy'" won special prizes at the 42th and 43rd international stamp exhibitions which were held in Riccione, Italy.

"Stamp commemorating the 85th conference of the Inter- Parliamentary Union", "Antarctic expedition" and "Suspension bridge between Sinuiju and Yucho Island" came first at the World Stamp Cup- 92 contest which was held in France. Many other Korean stamps have been highly praised at international exhibitions and shows.

DPRK Paper Urges Implementation of Kim Il-song's Behests

SK1103142796 Pyongyang KCNA in English 0945 GMT 11 Mar 96

["NODONG SINMUN Calls for Implementing Behests of President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 11 (KCNA) — NODONG SINMUN today editorially calls for a dynamic struggle to implement the behests of the Great Leader President Kim Il-song in all spheres and units of socialist construction.

Pointing out that the behests of the president are an eternal guideline and lifeline of the Korean revolution, the paper says:

All the teachings given by the president when he was alive are behests. Herein lie specific tasks to be carried out in all domains and sectors of the revolution and construction including party and state building, economic and cultural construction and the building of the revolutionary Armed Forces.

To carry through his behests is a decisive guarantee for victory in the revolution and construction.

The editorial calls for demonstrating the advantages of Korean- style socialism through thorough implementation of his behests in agriculture, light industry, foreign trade and all other domains and units.

We should revere him with a higher sense of consciousness and obligation than when he was alive and perfectly implement his behests with an unshakable resolution, the editorial stresses.

DPRK: Russian Publishing House Publishes Book on Kim Il-song

SK1203040896 Pyongyang KCNA in English 0330 GMT 12 Mar 96

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — The serial book "People's Leaders of 20th Century, Comrade Kim Il-song" was published by the Paleya Publishing House, Russia, on March 7 with the approach of the birth anniversary of the great leader President Kim Il-song.

Seen in the front cover of the book is a picture of President Kim Il-song.

Printed in first pages of the book are President Kim Il-song's portrait and the great leader Comrade Kim Chong-il's propositions on the immortal revolutionary feats of the president.

The book contains thirteen famous works of the president, his brief biography and pictures showing his revolutionary activities.

Also carried in the book are articles written by academician Richard Kosolapov, Prof. Gabril Kolotkov and manager of the Paleya Publishing House Nikolai Mishin praising the greatness of the president.

DPRK Paper Calls 20th Century 'Kim Il-song Century'

SK1203100096 Pyongyang KCNA in English 0947 GMT 12 Mar 96

["Immortal Name of the Sun" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — We proudly call our glorious socialist fatherland Kim Il-song's Korea, our era, which was started and has been advanced under the banner of independence, Kim Il-song era, and the 20th century, which has witnessed great creation and change, Kim Il-song century.

So says NODONG SINMUN today in a signed article headlined "Immortal Name of the Sun".

The authors of the article note:

Kim Il-song, the immortal name, reflects his great personality identical to the sun and the people's absolute worship for him.

The great leader Comrade Kim Chong-il said:

"Comrade Kim Il-song was not only a great leader but also a great revolutionary, a great man and the people's kind father."

Comrade Kim Il-song is the greatest of great men who glorified his whole life as the image of the sun, as his name means.

His idea is as bright as the sun, his politics is as warm as the sun and his noble traits are as fascinating and attracting as the sun.

He is the greatest of great men with distinguished traits unprecedented in history and a hero of the century with wisdom, benevolence and courage.

The Korean people saw the image of the sun in his feature, voice and smile and looked up to him as the sunflowers would do the sun.

There has been no such great man as Comrade Kim Il-song with purest and perfect personality as a leader, revolutionary and man.

Kim Il-song, the immortal name, is shining brighter with the passage of time thanks to the respected General Kim Chong-il.

General Kim Chong-il is a great revolutionary, a great man and a great leader who is regarding it as his cause of life and struggle to exalt the name of Kim Il-song.

Modern Korea is indeed Kim Il-song's Korea, a country in which he remains the image of the sun forever. Under General Kim Chong-il, the name of Kim Il-song will powerfully encourage the Korean people to fight as the sons and daughters of the sun forever.

The great leader General Kim Chong-il is the guiding sun, who is true to Comrade Kim Il-song in ideology, leadership and virtues.

Kim Chong-il is also an immortal name meaning the sun in the true sense of the word.

"Kim Il-song" and "Kim Chong-il" — the great names are the soul of Korea, the lifeblood of the Kim Il-song nation, the banner of our struggle and the eternal future.

Thanks to these names, chuche Korea is famous in the world as a country led by great men; the Korean nation has become a great prosperous nation which is advancing vigorously in the van of the era of independence; and ours is a glorious, ever-victorious cause for the bright future of mankind.

DPRK Daily Marks Kim Il-song's Work Publication Anniversary

SK1303101696 Pyongyang KCNA in English 0838 GMT 13 Mar 96

["NODONG SINMUN Observes Anniversary of Publication of President Kim Il-song's Work" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — NODONG SINMUN today dedicates a by-lined article headlined "Famous Work Indicating Road for Accomplishment of Cause of Chuche" to the anniversary of the publication of the great leader President Kim Il-song's work on carrying to accomplishment the cause of socialism.

The author of the article says:

The work comprehensively consummates the basic factor and precious experience gained in Korea in solving the question of carrying forward the revolutionary cause most successfully and clearly elucidates the principled method to carry to accomplishment the revolutionary cause of chuche under the leadership of the great leader Comrade Kim Chong-il.

The main idea of the work is that we must follow the leadership of Comrade Kim Chong-il with loyalty in order to successfully complete the socialist cause, the revolutionary cause of chuche.

The article quotes President Kim Il-song as saying:

"Firm guarantee for carrying to accomplishment the cause of socialism lies in following the leadership of Comrade Kim Chong-il in a creditable manner."

In the work, President Kim Il-song pointed out with high pride that because Comrade Kim Chong-il has been wisely leading the overall work of the party, the state and the Army in Korea from long ago the question of inheriting the leadership has been solved smoothly.

He underlined that the whole party and the entire people should be true to the leadership of Comrade Kim Chong-il.

The ideas and theories set out in the work serve as a highly- important guideline that should be firmly maintained by the party members and other Working People of Korea in preparing themselves creditably to be genuine communist revolutionaries of chuche type with solid revolutionary outlook on the leader and accomplishing the revolutionary cause of chuche.

Turning to the significance of the work, the article notes that the work has helped the Korean people to cherish absolute worship for Comrade Kim Chong-il more deeply and helped cement the singlehearted unity of our party and the revolutionary ranks more firmly around him.

Another significance is that all the party and the whole society are overwhelmed with the revolutionary habit of thoroughly carrying into reality the leadership of Comrade Kim Chong-il.

All the party and the whole society are guided by Comrade Kim Chong-il's ideas and the revolution and construction are going ahead dynamically as intended by him. This vividly illustrates the enormous validity and vitality of the ideas and theories advanced by President Kim Il-song in the work.

DPRK: Kim Il-song's 'Famous Work' Published in Cuba

SK1303093796 Pyongyang KCNA in English 0825 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — The great leader President Kim Il-song's famous work "Members of the Children's Union of Korea, Be Loyal and Dutiful Sons and Daughters of Our Party" was published in booklet by Idikt [as received] printing house in Cuba on March 4.

DPRK: Han Song-ryong Attends Guidance Anniversary Meeting

SK1103050596 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 8 Mar 96

[FBIS Translated Text] A report meeting marking the 30th anniversary of the on-the-spot guidance of Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, to the Taedonggang Hotel was held at the Youth Central Hall on 7 March.

Present at the meeting were Comrade Han Song-ryong, member of the Political Bureau and secretary of the Central Committee of the Workers Party of Korea; Yang Man-kil, chairman of the Pyongyang Municipal Administrative and Economic Committee, and other functionaries concerned; functionaries and employees of the hotel; and workers engaged in the service work for foreigners in Pyongyang.

In the meeting, Comrade Han Song-ryong delivered thanks from the great leader [widaehan yongdoja] Comrade Kim Chong-il to functionaries and employees of the Taedonggang Hotel who have made active contributions to lifting the country's prestige in external relations by successfully conducting the service work for foreigners with unfailing loyalty to the party and the leader [suryong] in the past 30 years.

After this, Song Ri-kuk, manager of the Taedonggang Hotel, made a commemorative report. The reporter said Comrade Kim Chong-il, who has attached great importance to the service work for foreigners and has paid deep attention to strengthening and developing service work for foreigners, visited the Taedonggang Hotel on March 6, 1966. He then said all the functionaries and employees of the hotel were meaningfully marking this historic day with endless glory and deep emotion.

He noted that ever since the respected and beloved general [kyongaehanun changgunnim] visited the hotel, functionaries and employees of the hotel have strenuously waged the struggle to implement the general's programmatic words and, that as a result, achieved big success. The reporter said the respected and beloved general [kyongaehanun changgunnim] has led step by step to endlessly develop the service work of the Taedonggang Hotel in conformity with the party's intentions and has granted deep benevolence to the functionaries and employees of the hotel amid his busy schedule to look after the overall work of the state and the party.

He offered warm thanks and the greatest glory to the great leader [widaehan yongdoja] Comrade Kim Chong-il who expounded on the future road for the hotel and gave endless glory and happiness to them. Saying that upholding the great general [widaehan changgunnim] with loyalty is for the fatherland's future and the people's endless happiness, the reporter talked about the ways to resolutely adhere to, add luster to, and defend the general's immortal leadership achievements.

A letter of pledge to Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and people, was adopted at the report meeting.

DPRK: Garment Companies Fulfill Quarterly Plans Early

SK1203101596 Pyongyang KCNA in English
0940 GMT 12 Mar 96

[FBIS Transcribed Text] Pyongyang, March 12 (KCNA) — Garment companies under the Ponghwa General Bureau of the Democratic People's Republic of Korea have fulfilled their first quarterly year plans much earlier than schedule.

They could make such achievements by giving priority to the political work, properly organizing the economic work and vigorously carrying on the technical innovation movement.

From the beginning of the year, the Mangyongdae Garment Company had overfulfilled its daily assignments by 10-20 percent until the company carried out its first quarterly year plan on all indices as of March 7.

The Nagwon Garment Company hit its first quarterly year target a month ahead of schedule, while the Ponghwa Export Garment Company more than twenty days ahead of schedule.

DPRK: National Customs of Korean People Described

SK1303102796 Pyongyang KCNA in English
0845 GMT 13 Mar 96

[FBIS Transcribed Text] Pyongyang, March 13 (KCNA) — The Korean people have beautiful and sound national customs.

Korea, with a 5,000-year-long history and developed science and culture, has been called an "Eastern country of good manners" from ancient times.

It is the noblest moral obligation of the Korean people to help and lead each other forward and devote themselves to society, the collective and comrades.

They are honest, gentle and kind. They are also steadfast in principle and will. They never compromise with injustice but value their honor.

They politely bow to elders or seniors and exchange nods with their friends or greet with their eyes.

Their rites include wedding ceremony, 60th birthday ceremony and first birthday ceremony.

Wedding is based on mutual understanding in social life and working life.

Only monogamy is allowed and intermarriage is not desirable in the country.

Men like to wear suits and neckties, while women like to put on chima and chogori (Korean skirt and jacket) of beautiful colors.

The dwelling houses have a particular heating system called "ondol." Floors of rooms are heated by fire for cooking or hot-water pipes.

Most of the dwelling houses in towns are high-rise flats. Two- or three-storied blocks with two or three flats and one-storied houses are available in countryside.

Diet includes boiled rice, noodles, vegetable soup, meat soup and fish soup, kimchi made of radish, cabbage, green onion, garlic and red pepper, bean sprouts, small green bean sprouts, seasoned roots of broad bellflower, mushrooms and other dishes.

As well as national holidays including national day, the Korean people enjoy the Lunar New Year's Day, May Festival (fifth day of the fifth lunar month), the Autumn Festival and other folk holidays.

South Korea

ROK: DPRK Diplomat in PRC Warns U.S. To Accept Peace Accord

SK1303010696 Seoul YONHAP in English 0022 GMT 13 Mar 96

[FBIS Transcribed Text] Tokyo, March 13 (YONHAP) — A North Korean diplomat stationed in Beijing warned Tuesday that Pyongyang would take a "final initiative" if the United States did not accept its proposal for a temporary peace accord to deter armed conflict on the Korean peninsula, the YOMIURI SHIMBUN reported Wednesday.

Councillor Choe Han-chun at the North Korean Embassy in Beijing told YOMIURI in an interview, "Should an accident break out on the Korean peninsula, the United States would be responsible for the consequences." But Choe declined to elaborate on what the initiative would be, the report said.

Pyongyang issued a similar warning last Friday through its mission at the truce village of Panmunjom.

The North Korean warning appears to reflect Pyongyang's impatience over its proposal for a temporary peace agreement, which was made last month, the YOMIURI speculated.

The North Koreans might move their forces near the demilitarized zone for demonstration purposes, the Japanese daily added.

Pyongyang has also proposed the establishment of a joint North Korea-United States military organization to replace the military armistice commission. But Washington has rejected these proposals on the grounds that the current armistice agreement is valid.

ROK: DPRK Using Internet for Propaganda Activities in U.S.

SK1303022696 (Internet) The Chungang Ilbo WWW in English 13 Mar 96

[FBIS Transcribed Text] The National Unification Board [Ministry of National Unification] announced on March 12 that North Korea is currently attempting to conduct propaganda activities in the United States through Internet, the world's largest computer communications network. A high-ranking official at the Ministry stated on the same day that "North Korea is publishing a series of essays which faithfully reflect Pyongyang's official stance, on the Internet. They are aimed for viewers in Washington as well as overseas Korean residents."

One, in particular, which attracted the Ministry's attention, appeared on Internet in November last year. It was written by "The Peaceful Unification Institute of the United States", a non-profit research organization based in New York. The 38-page long essay, written in Korean, carries the title "Intervention & Expansion Strategies VS Negotiations and Coexistence Strategies". The dissertation examined the strategies of North Korea and the United States on the Korean peninsula, North Korea's position on the American forces stationed in South Korea, and the future policies on the relationship between Pyongyang and Washington.

ROK: DPRK Electrical Capacity Insufficient for Reactor Project

SK1303025796 (Internet) The Digital Chosun Ilbo WWW in English 1229 GMT 12 Mar 96

[FBIS Transcribed Text] Engineers have found that North Korea's electrical infrastructure is insufficient to provide power for the Light Water Reactor project. Research done at the Simpo site has indicated voltage of 160 volts compared to standard 220 volts. Also a frequency of 54 Hz compared with the standard 60 Hz.

An official for the Light Water Reactor team commented on the problem. "During the early stage of the construction, we will need to employ precision machineries. But the low quality infrastructure will not allow this. Officials are considering measures to supply electricity to the construction site: 1) asking North Korea to build an independent power plant, 2) US-Japan-Korea supply a power generating ship, 3) building power-lines to South Korea.

According to the agreement for the LWR project, North Korea promised to provide electricity for the construction of the plant and testing.

ROK: DPRK Submits Reduced Najin-Sonbong Investment Plan to UNIDO

SK1303034996 (Internet) The Digital Chosun Ilbo WWW in English 1226 GMT 12 Mar 96

[FBIS Transcribed Text] It was learned on Tuesday that North Korea had reduced the scale of investment for the Najin-Sonbong area. According to the "Investment Introduction Plan" sent to the United Nations Industrial Development Organization (UNIDO), the previously announced 68 fields stipulated for investment would be reduced to 58, meaning a reduction from 3.66 billion dollars to 437 million dollars.

This was interpreted as an admission of failure by North Korea that has since 1991, only succeeded in obtaining 20 million dollars in investment.

ROK: Pyongyang Administrative Committee Chairman Replaced

96p30120A Seoul WEEKLY NORTH KOREAN TRENDS in Korean 11-17 Feb 96 from the Chollian Database

[FBIS Summary] Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee, has been replaced by Yang Man-kil, former chairman of the North Hwanghae Province Administrative and Economic Committee. This was noted on 14 February, at the opening of the Kang Pan-sok nursery in Pyongyang, when Yang Man-kil was referred to as chairman of the Pyongyang Municipal Administrative and Economic Committee. Pak, ranking No. 33 in North Korea's hierarchical order, has played a leading role in implementing the country's economic policy in his previous positions, for example, as the Korean Workers' Party secretary in charge of economic affairs, chairman of the party's Heavy Industry Department, and chairman of the State Planning Commission. Yang had been vice chairman of the State Planning Commission.

ROK: WCC Official Interviewed on Current Situation in DPRK

SK1203141296 Seoul TONG-A ILBO in Korean 11 Mar 96 p 2

[Interview with Dr. Pak Kyong-so, of the World Council of Churches, by Han Ki-hung — place and date not given; first three paragraphs are TONG-A ILBO introduction]

[FBIS Translated Text] Dr. Pak Kyong-so (57), of the World Council of Churches [WCC], has been to North Korea 10 times since his first visit in July 1988.

His international religious organization's activities enable him to go in and out of North Korea more often than any other Korean, and he has been able to look inside its closed system.

Dr. Pak conveyed that North Korean compatriots in the tundra, who are poverty-stricken, were making efforts to restore the flood damages almost with their bare hands.

[Han] Though the flood damage situation of North Korea is known to some extent, how much of the damage has been restored?

[Pak] Even though North Korean compatriots are working very hard, it seems that only 20 to 30 percent of the damages have been restored because the equipment for restoration has not been mechanized. They are bending over backwards to rebuild the collapsed banks and to rebuild houses on the hillside areas by carrying stones in ox-wagons. However, they have not yet been able to repair any of the destroyed plants or schools.

[Han] How much of the farmlands have been damaged?

[Pak] At the location where I was able to look around, about 30,000 chongbo [1 chongbo=2.45 acres] of farmland was destroyed. I heard that it is impossible to use about 10,000 chongbo of land for farming because of the rocks and sand pushed down by the flood.

[Han] Recently, THE WASHINGTON TIMES reported a rumor that some North Korean residents had eaten human flesh out of starvation.

[Pak] That sounds like a speculative report. The food crisis is severe to the degree that malnutrition among children in the flood- stricken areas can easily be detected, nonetheless, no one has died from famine. The North Korean authorities are said to have been strictly controlling the activities of foreign agencies lately because they are writing biased news reports.

[Han] Do the North Korean residents know that the ROK provided rice aid last year?

[Pak] Heads of villages and party cadres know. Even though they are grateful, it seems that they are dissatisfied with South Korea for not providing more when it is capable of doing so. In particular, they also expressed mistrust toward South Korea by saying that it kept foreign countries from helping them.

[Han] What happened to the items such as ramyon, blankets, and pharmaceuticals supplied by the Korea Red Cross Society?

[Pak] The ramyon arrived at the Nampo port but has not been distributed to the residents yet due to some procedural problems.

[Han] There has been suspicion that the rice provided by the ROK has been used as military provisions. What is the situation regarding this?

[Pak] I do not think it is true. People of other Pyongyang- based international organizations established that North Korea is properly distributing foreign relief goods to the flood-stricken people. On the contrary, I heard that North Korea has released military provisions and is distributing them to the flood-stricken residents and has mobilized all soldiers for flood recovery activities.

[Han] Have there been any complaints about the Kim Chong-il system among North Korean residents after the flood?

[Pak] There can be no complaints since the deified Kim Il-song is completely identified with Kim Chong-il. North Korean residents were determined to restore the flood damages by next year and were confident in doing so, even though they were helpless when they suffered from the flood damage. Such an attitude did not seem to be a pretense in the presence of outsiders. The theory of the North Korean collapse is only a Western prospect.

[Han] It seems that during the process of providing rice to the North last year, the incident of hoisting the North Korean flag on the rice transport ship and detaining the ship may have put a wet blanket in aiding North Korea.

[Pak] I heard that this incident was wholly caused by mishaps of low-level workers. It was not intentionally brought about by the North Korean authorities.

[Han] How is the energy situation?

[Pak] Heating at all public facilities has stopped completely. Central heating was not available at the Pyongyang inn where I stayed. They turned on a small German heater in my room, instead. I had a hard time during the one-and-a-half-hour service I attended at the Pongsu Church on 2 February as there was no heating. Residents in farming areas make fire using a brazier in rooms or burn firewood in fuel holes. This is because they lack charcoal as well as oil.

[Han] Is there also no heating at the Kumsusan Memorial Palace where Kim Il-song's body is laid?

[Pak] That place is the only one with an average temperature of 18-20 degrees Celsius. This temperature is set automatically all year round. Wind for sterilizing blows out automatically when visitors step into the entrance. I had the opportunity to visit the graves of Mao Zedong of China, Lenin of the old Soviet Union, and Ho Chi Minh of Vietnam, but the facilities here were far more modern and grandiose.

[Han] Are the successive incidents of defections to the West, including that of Song Hye-rim, Kim Chong-il's former wife, known inside North Korea?

[Pak] They know about it, but they just laugh and say that "it could happen" and do not go into details regarding this matter.

[Han] North Korea can receive food aid from South Korea only if it responds to South-North dialogue.

[Pak] The attitude is that they will not accept assistance with such strings attached. They said they will not beg with their heads down even if that means starvation. On the other hand, it seemed that they believe that they will eventually get rice from South Korea through the United States, which it is working to improve relations.

[Han] Dr. Pak, however, urged the ROK to resume food aid including rice, flour, and corn and have an understanding of the North Korean people's tribulation based on pure compatriotic love and humanitarian means. He said: "Foreigners do not understand and find it strange that we are ignoring the North compatriots who are our brethren. If South Korea, which is comparatively in a superior position, solidly helps North Korea, I think, it will ultimately contribute to national harmony and reunification."

ROK Export-Import Bank: Inter-Korean Trade To Increase Sharply

SK0903115896 Seoul THE KOREA ECONOMIC WEEKLY in English 11 Mar 96 p 15

[FBIS Translated Text] Inter-Korean trade, which enjoyed brisk business last year will increase sharply. The type of trading will also be diversified.

The rosy prospects for inter-Korean trade came from a report filed by the Export-Import Bank of Korea.

According to the report, North Korea will not easily change their partner since items have been traded between Seoul and Pyongyang for several years. Furthermore, if North Korea stops shipping goods to Seoul, they will face difficulties in acquisition of foreign currencies and operation of their plants. Thus, inter-Korean trade will continue increasing this year, the bank report analyzed.

"Exports of goods processed in North Korea to third countries will be vitalized this year," the report said.

The bank also expected that the expansion of inter-Korean trade in volume and type will contribute greatly to recovering trust between Seoul and Pyongyang.

ROK: ING Bank Manager Says 'Very Little' Investment in DPRK

SK1303070296 Seoul YONHAP in English
0559 GMT 13 Mar 96

[By D. Peter Kim]

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — ING-Northeast Asia Bank, the first-ever joint-venture bank in North Korea, has yet to attract any major investments from western companies since opening Dec. 6 last year, the general manager of ING Bank's Seoul branch said Wednesday.

Jan Bosma explained that there has been "very little" investment thus far, although a few investors from Japan and South Korea have engaged in limited ventures. He added that the lack of hard currency in the North has stifled trade there.

"I think sooner or later, there will be more (business) activity," he said, however, citing the light-water nuclear reactor project and the presence of North Korean trading firms as examples of potential business.

Firms from countries having trade representatives in Pyongyang, the Netherlands and Germany for example, may decide to invest in the North in the near future, Bosma said.

"There are signs that western companies are interested in having some kind of foothold, like us," he said.

The Dutch bank holds a 70-percent stake in its venture, while its North Korean partner, the Korea Foreign Insurance Co., owns the remaining 30 percent. The branch is primarily concerned with assisting foreign firms investing in North Korea and seeking new business opportunities, according to Bosma.

Bosma said he visted North Korea last December and will visit again in early next month. In his upcoming trip, he explained that he will be looking into new banking services, manpower and training problems, refurbishing the office, and computer services. He also plans to go to the Najin-Sonbong free trade zone later this year.

The Dutch firm originally wanted to set up a representative office in Pyongyang, but North Korean authorities insisted that ING open a full-fledged bank in the free economic zone.

ING argued that business activity in the zone was non-existent, and so agreed to officially register the branch in the zone while maintaining its actual office in Pyongyang.

Despite the reportedly worsening conditions in the North, Bosma said, ING does not regret opening the branch and plans to continue operations there.

"We don't have any regrets because it was our intention to have a very small office in the first place," Bosma said. "And as the market is opened up for investment and there is an increase of trade, we will be able to expand our business there.

"The main threat for foreign investment is that North Korea could confiscate or nationalize investments," he added.

The Dutch bank, however, plans to invest additional money in the venture only after it sees an increase in business, Bosma said. The Pyongyang branch was set up with an initial investment of 2 million U.S. dollars.

ROK President Stresses Vigilance Against DPRK 'Provocations'

SK1303073796 Seoul YONHAP in English
0716 GMT 13 Mar 96

[FBIS Transcribed Text] Chinhae, South Kyongsang Province, March 13 (YONHAP) — President Kim Yong-sam on Wednesday stressed the importance of vigilance against possible provocations by North Korea.

In his address at the 50th Korean Naval Academy commencement, Kim said, "No one can predict what reckless acts North Korea will resort to in a desperate attempt to escape the crisis of its establishment... Never before have military vigilance and the security consciousness of the general public been more important than they are now."

The country must bolster its naval strength to safeguard national security, protect national interests and help maintain world peace, Kim stressed.

Following the commencement, the president attended a christening ceremony for the marine research vessel "Ocean No. 2000" that was held at pier No. 2 in Chihae.

"It is significant that the country has reached a level of advancement that allows us to research and manage the ocean," he remarked.

ROK: Son of DPRK Defector Allowed To Study Abroad

SK1303042396 Seoul THE KOREA TIMES in English
13 Mar 96 p 2

[FBIS Transcribed Text] The youngest son of a North Korean family, who defected to the South in 1987 in search of a "warm country in the south," has been living and studying in the U.S. since the fall of 1994, it was recently revealed.

Kwang-ho, 21, the son of Kim Man-chol, is the focus of attention because he becomes the first northern defector to be allowed to study abroad.

The Seoul government rarely allows defectors to leave the country for their personal safety and other reasons even for a short period of time.

The Agency for National Security Planning officially acknowledged that Kwang-ho had taken the proper procedures in getting a passport and leaving the country. It also said that his sojourn in the United States is purely for academic purposes and nothing else.

The young man's father has denied any knowledge of his son receiving help from the NSP or the government in leaving the country and said that Kwang-ho went on his own to the U.S. Embassy in Seoul for a visa and had left when he had all his documents in order.

Kim added that his son, who is currently enrolled in a language course, plans to remain in the U.S. when he finishes this June and to continue his studies in either math or philosophy at a college there.

He said that although the family sends him money, Kwang-ho is making it on his own for the most part by working at a variety of part-time jobs.

Other defectors, who find it difficult to get permission for even short business trips abroad, say Kwang-ho's long-term stay in the U.S. is "highly unusual."

ROK: Dongbu Group Signs Telecom Agreement With PRC Province

SK0103134396 Seoul THE KOREA TIMES in English 1 Mar 96 p 8

[FBIS Transcribed Text] The Dongbu Group yesterday signed a telecommunications cooperation agreement with the Heilongjiang Provincial Government, including trunked radio systems (TRS), in Harbin, the capital city of the province, a spokesman said.

ROK President Meets With New Air Force Chief of Staff

SK1103024796 Seoul KBS-1 Television Network in Korean 1204 GMT 7 Mar 96

[FBIS Translated Text] on the morning of 7 March, President Kim Yong-sam received Yi Kwang-hak, at Chongwadae [presidential offices] on his promotion to general and to his new post as Air Force chief of Staff. President Kim Yong-sam asserted that since the Air Force occupies an important place in modern warfare, he asked that comprehensive security preparations be made in the event of a totally unpredictable possible provocation by North Korea.

ROK Parties Assess Impact of Chon-No Trial on Elections

SK1303035396 Seoul THE KOREA TIMES in English 13 Mar 96 p 2

[FBIS Transcribed Text] With the historical trial of two former presidents Chon Tu-hwan and No Tae-u underway, parties are bustling about sizing up its impact on the upcoming April elections.

Both the ruling and opposition parties seem to believe that the trial will not affect them much. If it does it will work in their favor.

But their genuine reactions are not as simple as they appear.

The ruling New Korea Party [NKP] seems to be dismissing the possible impact as if it has nothing to lose.

The NKP leaders believe there will be no adverse impact because those involved in the Dec. 12 mutiny and May 18 crackdown on the Kwangju democratic movement all left the party after Chon and No were put behind bars.

Kang Yong-sik, chairman of the NKP policy coordinating committee, said, "I don't think the trial will affect seriously the coming elections."

But Rep. Kim Hae-sok of Chon and No's traditional turf of Taegu, feels differently. "The trial has already begun, and it will serve no good for the NKP candidates in this region," he said.

However, in the metropolitan region, NKP candidates hope that the trial will turn young voters around to their side.

Among the three opposition parties, only the Democratic Party [DP] thinks that the trial will contribute much to enhancing their electoral chances.

The DP believes that as the trial proceeds, the party's star policy of bringing legal justice to the former presidents will eventually appeal to voters.

DP Rep. Pak Kye-tong shocked the nation last year with the revelation of the former presidents' slush funds in an Assembly speech, which led the government to take legal action against them instead of allowing history to judge them.

The main opposition National Congress for New Politics, already damaged by the slush funds trial and allegations that its leader Kim Tae-chung received more money than he confessed to from No, is making cautious predictions of the effects of the trial.

The United Liberal Party, which is also not immune to the slush fund scandal since its leader Kim Chong-pil is said to have collected his own political funds, wants to avoid getting mud from the trial splattered on him.

ROK Political Parties, Candidates To Use Internet Home Pages

SK1303035296 (Internet) The Digital Chosun Ilbo WWW in English 1227 GMT 13 Mar 96

[FBIS Transcribed Text] The Internet will play a role in the upcoming 15th General Election for the first time in Korea. Incumbent members have been opening their own home pages since last November. Six candidates from the major parties have joined so far.

The Democratic Party opened its page in February. The ruling New Korea Party and The National Congress for New Politics will open their page by the end of the month. Due to election law those who couldn't will open March 26 en masse.

The Digital Chosun will open a special home page for the election soon. Politicians are eager to open home pages because they want to target the 20-40 age group familiar with the new communication system.

ROK Plans To Dispatch 6 Staff Officers to Angola

SK2802044696 Seoul THE KOREA HERALD in English 28 Feb 96 p 3

[FBIS Transcribed Text] Six South Korean staff officers will be dispatched today to Angola, the Defense Ministry said yesterday.

They will serve at the headquarters or branches of the U.N. peace-keeping command in the African country, a ministry spokesman said.

A battalion of South Korean military engineers have been serving in Angola under the banner of the U.N. Angola Verification Mission III (UNAVEM III) since last October.

About 6,800 personnel from 38 countries are serving in the U.N. peace-keeping operation in Angola.

ROK Plans To Create 'National Food and Drug Safety Office'

SK1303034796 Seoul THE KOREA TIMES in English 13 Mar 96 p 1

[By staff reporter Hong Sun-hui]

[FBIS Transcribed Text] A government organization will come into being early in April to take exclusive control of the safety of food and medicine in Korea, the same way the Food and Drug Administration (FDA) does in the United States.

The National Food and Drug Safety Headquarters will be initially located at the Health-Welfare Ministry. It will then be elevated to a ministry-level agency, named the National Food and Drug Office, towards the first half of next year when a new law is enacted.

The creation of the new food and drug safety body is an expression of the government's will to upgrade the quality of life by way of stricter management of food and medicine controls.

The risk posed by sub-quality food and medicines is substantial in Korea because of a lack of care by producers and a failure to monitor quality.

The ad-hoc headquarters will absorb three sections at the Food Affairs Bureau in the Health-Welfare Ministry, another three sections at the Medicine Bureau and parts of the National Institute of Health and the National Institute of Safety Research.

Another 140 experts will be hired in addition to the 531 people coming from the ministry and organizations under its wing.

The headquarters will set standards for safety controls, and the provincial offices that will be opened in six cities next month will be responsible for testing, monitoring and controlling the food and medicine circulating in their respective regions. The six cities are Seoul, Pusan, Inchon, Taegu, Kwangju and Taejon.

The headquarters will have a planning evaluation department and a safety management department.

The former will supervise the activities of the provincial offices through five sections specializing in the testing, endorsing and appraisal of food, food additives, medicine, medical devices and natural medical materials.

The National Institute of Safety Research, whose control is being transferred to the headquarters, will be renamed the Toxicology Institute, and will be responsible for the development of new materials and pre-clinical tests and research.

The quarantine stations in Seoul, Pusan and Inchon will rely for their control of imported food and drugs on the services of the agency at provincial office level.

To upgrade the validity and reliability of Korean testing and analysis, the agency will recruit experts in the fields of toxicology, nutrition science and biochemistry.

The ad-hoc National Food and Drug Safety Headquarters will engage in the following activities.

First, it will study standards in foreign countries governing germs, agro-chemicals, antibiotics, heavy metals and other substances harmful to human health and draft criteria suiting the Korean situation.

Second, it will keep vigil on the 100 kinds of food Koreans eat most including 80 kinds of processed food and 20 unprocessed foods.

ROK Ministry of Information To Oversee Information Sector

SK2402021696 (Internet) The Chungang Ilbo WWW in English 24 Feb 96

[FBIS Transcribed Text] From now on, the Ministry of Information and Communication will oversee the fostering of Korea's overall information and communications sector including the development of software, taking the baton from the Ministry of Science and Technology. The two ministries announced on February 23 that agreements have been reached to transfer the control of SERI (System Engineering Research Institute), an affiliated organization of the Korea Institute of Science and Technology (KIST) which until now have managed software related business, as part of the follow-up measures for the government organization reshuffle which took place in December 1995.

ROK Decides To Participate in Multilateral Exports Committee

SK0703022896 (Internet) The Chungang Ilbo WWW in English 7 Mar 96

[FBIS Transcribed Text] The South Korean government has decided to actively participate in the new coordinating committee for multi-lateral exports which will be established next month to succeed the Coordinating Committee for Exports to Communist Areas (COCOM).

With the decision, Seoul will quickly work to come up with the relevant laws and regulations including those for foreign trade laws.

ROK Ministry To Publish Korean Laws, Ordinances in English

SK1303040096 Seoul THE KOREA TIMES in English 13 Mar 96 p 2

[FBIS Transcribed Text] The Ministry of Legislation decided to publish an enlarged English-language collection of Korean laws and ordinances in an effort to lay the groundwork for attracting foreign investment and boosting international recognition of the Korean legal system.

It will spend 1.14 billion won on the two-year project, aimed at publishing a collection of Korean laws on trade, finance, tax, foreign currency, patents, social welfare, labor, tourism, communications, culture, broadcasting, publishing and others.

Ministry spokesman Yu Sang-hyon said that the new version of Korean laws will be available from December next year and distributed to Korea's overseas missions and Seoul-based foreign missions free of charge.

The existing six-volume collection is viewed as "not comprehensive and outdated" because it contains only 234 out of the current 2,241 laws and ordinances.

The new 20-volume version will contain 800 laws and ordinances, reflecting 36 percent of the current Korean laws and ordinances.

The new collection will be an important information source about Korean laws for foreign companies, the spokesman said.

"So far, many foreign companies have depended on Korean consultants in getting information related to Korean laws. The new edition will help ease language barrier for foreigners and offer them easy access to Korean laws," the spokesman said.

ROK: Chang Ki-ho New Ambassador to UN Office in Geneva

SK1303091096 Seoul YONHAP in English 0837 GMT 13 Mar 96

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — The Foreign Ministry appointed Minister Chang Ki-ho third ambassador of South Korea's permanent representative office to the United Nations in Geneva, Switzerland Wednesday.

Minister Ham Myong-chol was appointed third ambassador of Seoul's permanent representative office to the United Nations in New York.

The ministry recently decided to allow its United Nations missions to have three ambassadors to reinforce the country's multilateral diplomatic efforts at the world trade organization, conference on disarmament and other international organizations.

ROK: Kim In-ho Appointed Chairman of Fair Trade Commission

SK0703121196 Seoul YONHAP in English 0807 GMT 7 Mar 96

[FBIS Transcribed Text] Seoul, March 7 (YONHAP) — National railroad administrator Kim In-ho was appointed chairman of the Fair Trade Commission by

President Kim Yong-sam Thursday. The position has recently been upgraded to minister-level status.

A native of Miryang, South Kyongsang Province, the newly- appointed chairman is a graduate of Seoul National University's College of Law and has spent most of his career in economy-related positions

Meanwhile, Vice National Railroad Administrator Kim Tong-hoe was named to head the administration.

ROK: Foreigner-Invested Firms Free To Import Capital Goods

SK1303054496 Seoul YONHAP in English 0135 GMT 13 Mar 96

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — The government will lift next week restrictions on importation by foreigner-invested businesses of capital goods such as equipment and machinery in an effort to attract more foreign investment in South Korea.

Under the deregulation plan, foreigner-invested businesses will be free to import capital goods either needed by or related to their product lines, regardless of whether or not the goods are available in South Korea, Trade, Industry and Energy Ministry officials said Tuesday.

These companies are currently only allowed to import those capital goods which are not available domestically, and foreign investors have long called for eliminating the restriction, claiming that it discourages additional investment.

In addition, foreigner-invested companies will now be able to import used equipment and machinery with the approval of their banks, and will no longer need to get permission from the Trade, Industry and Energy Ministry.

The new guidelines are expected to bring a sharp increase in foreign capital good imports, which would mean that domestic machinery manufacturers will be faced with more competition from foreign rivals.

ROK: Private Capital To Finance 13 SOC Projects

SK0903133496 Seoul THE KOREA ECONOMIC WEEKLY in English 11 Mar 96 p 2

[FBIS Translated Text] Construction of an 8-lane Ilsan-Toegyewon expressway and 12 other projects were finalized as social overhead capital (SOC) projects to be financed with private capital this year.

The 13 projects, selected by the deliberation council of private capital-financed SOC projects on February 22, are expected to cost a total of 9.23 trillion won, sources close to the council said.

The council meeting, presided over by Deputy Premier-Minister of Finance and Economy Na Ung-pae, also has selected 10 private capital-financed SOC projects to be implemented between 1997 and 1998 at a total cost of 17.37 trillion won, the sources said.

Work on the 13 SOC projects for this year will start sometime during the first half of 1997 at the earliest as these projects need varied procedures such as drawing of basic plans, designation of private firms participating in each project and the like, the sources said.

Private Capital-Financed SOC Projects

(1996)		
Project	Outline	Estimated cost (100 million won)
Ilsan-Toegyewon expressway	32.6-km (8-lane)	16,870
Kumi-Okpo expressway	56.6-km (4-lane)	5,918
Taejon-Tangjin expressway	94.3-km (4-lane)	12,083
Uijongbu light-weighted electrified railroad	14.9-km	4,490
Container port on Kadokdo near Pusan	3.2-km (breakwater)	22,764
Inchon's northern port	1.2-km (breakwater)	2,618
New port at Yongil Bay	1.4-km (breakwater)	6,098
Coastline circulating road in the Pusan area	3.9-km (6-lane)	4,230
2nd circulating road in Kwangju	5.4-km (6-lane)	2,235
Hanam-Chunchon road	66.5-km (4-lane)	6,720
Inchon-Tori road	13.3-km (6-lane)	2,158
Seoul-Kanghwa road	26.0-km (4-lane)	4,091
Ulsan bridge and road	4.4-km (4-lane)	2,020
(1997-1998)		
Project	Outline	Estimated cost (100 million won)

Seoul-Hongchon-Inje-Yangyang expressway	180-km (4-lane)	23,000
Consolidated cargo terminal in the central district	Site (400,000 pyong, one pyong equal 3.3 squre meters) in Chongwon county	7,033
Consolidated cargo terminal in Kyongsang Provinces	Site (270,000 pyong) in Kimchon	6,970
Consolidated cargo terminal in Cholla Provinces	Site (310,000 pyong) in Changsong county	7,577
Doubling & electrifying of Suwon-Inchon railroad	52.8-km	5,710
Doubling & electrifying of Seoul's outer circulating railroad (Uijongbu-Nunggol	31.8-km	2,000
New port in Ulsan	3.5-km (breakwater)	17,232
Marine park in Pusan	Passenger terminals, etc.	5,500
Spa development in Haeundae, Pusan	Floor spaces covering 22,000 pyong	2,112
Toegyewon-Tongduchon road	36.5-km (4-lane)	3,646

ROK Banks To Expand Loan Credits to Small Businesses

SK2602115796 Seoul YONHAP in English 1142 GMT 26 Feb 96

[FBIS Transcribed Text] Pusan, Feb. 26 (YONHAP) — The government has decided to give bank loans in credit to small businesses with good credit standing so that financial support for small industries could be expanded substantially, Bank of Korea Governor Yi Kyong-sik said here Monday.

"Even if the loans extended in this line become uncollectable, we won't reprimand those responsible for the provision of the credits," Yi said.

To the end, he said, his central bank would devise a new system to appraise the credit standing of small industries, in which one's non-financial factors such as business prospects will be valued more than financial conditions.

Yi made the remarks while explaining about his central bank's money supply program this year before a group of Pusan-area banking officials.

"It is wrong to implement uniform financial programs despite different regional economic conditions," he said. "In the future, we will carry out financial credit programs in consideration of local characteristics."

The central bank head also said there should be speedy deregulation of various financial controls so that the nation could have a stronger competitiveness in the age of the World Trade Organization (WTO).

"In this regard, the role of the Bank of Korea in the monetary mart should be changed from that of a controller to that of a partaker," Yi said.

ROK: 1995 Current-Account Deficit Said Highest Since 1950

SK0903120196 Seoul THE KOREA ECONOMIC WEEKLY in English 11 Mar 96 p 3

[FBIS Translated Text] The nation sustained the highest annual level of current-account deficit in 1995 since 1950 when the nation began compiling statistics on international balance-of-payments (BOP) positions.

Moreover, the nation is expected to suffer a current-account deficit of about $6 billion this year, the Bank of Korea (BOK) predicted.

Largely because of widening deficits both in visible and invisible trade, the nation's current-account deficit in 1995 was estimated at $8.82 billion, the highest annual level since 1950, according to preliminary figures compiled by the central bank.

Influenced by expansion in facility investments and rising demand for raw materials and equipment for export processing, the increase rate (32.0 percent) of imports in 1995 outpaced the growth rate (30.0 percent) of exports, BOK sources said.

As a result, the nation's visible trade deficit in 1995 reached $4.75 billion, up sharply from $3.15 billion in 1994.

The nation's invisible trade deficit in 1995 amounted to $3.51 billion, the highest annual level, apparently because of increasing interest payments for massive inflows of foreign capital and growing royalty payments for foreign technologies, the sources said.

During the year, the balance of unrequited net transfers also registered a deficit of $560 million, due to the increase in overseas remittances by individuals and expansion of exports on a non-L/C basis, compared with the 1994 surplus of $600 million, the sources said.

ROK: Mugunghwa-1 Satellite To Begin Operating 18 Mar

SK1203015696 (Internet) The Digital Chosun Ilbo WWW in English 1221 GMT 11 Mar 96

[FBIS Transcribed Text] The Korea Telecom announced on Monday that Mugunghwa-1 will be operational from March 18 taking over operations previously provided thorough Intelsat. The first Korean commercial communication satellite will enable transmission for intercompany closed circuit TV for big industries, long-distance sermons for churches, relay of horse-racing, video service, news and cable relay.

ROK: Samsung Develops Technology for 'Flip Chip' Package

SK1303034896 (Internet) The Joong-Ang Ilbo WWW in English 13 Mar 96

[FBIS Transcribed Text] The Samsung Electronics announced on March 12 that it has developed the technology for a 'flip chip' package for the purpose of dominating the market for the 1 giga-byte class of memory semiconductors.

The technology is used in attaching the chip bodies directly to boards without using any lines. The flip chips, which only IBM and Motorola have succeeded in manufacturing for mass-production, do not need lead frames for connecting the body with the board, thereby making it possible to produce smaller and lighter chips. Accordingly, their applications include high-tech products such as communications, computers, automobiles and military equipment.

ROK Ministry To Establish English Cable TV Network

SK1303040296 Seoul THE KOREA TIMES in English 13 Mar 96 p 2

[FBIS Transcribed Text] "World Channel," a cable television network which will offer around-the-clock English-language broadcasting for foreigners will begin broadcasting operation beginning this October, the Ministry of Information said yesterday.

The establishment of an English-language channel is part of Seoul's efforts to actively seek to improve Korea's international image.

Prime Minister Yi Su-song pointed out at the inaugural meeting of a committee set up to promote Korea's international image that the international community has failed to give Korea due recognition it should enjoy in tandem with its economic growth and advancement in democracy.

The committee, chaired by Prime Minister Yi and participated in by the finance-economy, unification, foreign, home, information, education, culture-sports, trade-industry-energy, environment and labor ministers, is the highest-level consultative body designed to ensure "comprehensive management of Korea's overseas image."

Information Minister O In-whan said that his ministry will make efforts to improve Korea's image through world satellite networks and the Internet.

The government will inaugurate an international broadcasting exchange foundation within this month, attended by Korea's three major broadcasting companies, cable television program providers, and private corporations wishing to join the program.

The foundation will take charge of operating World Channel and offering English-language programs to satellite networks around the world.

The English-language channel will offer news programs, documentaries on Korea's culture and tradition, and information on tourism and trade aimed at raising foreigners' awareness about what is going on in Korea.

The channel, which will also offer news programs and documentaries produced by CNN, BBC and other major foreign broadcasting companies, will be available in foreigner residential areas, tourist hotels and Korea-based foreign companies.

Meanwhile, the foundation will set up a "Korea Channel" in the United States in December, which will air English-language programs on Korea via satellite. The foundation will also establish similar channels in Europe and Asia.

ROK Editorial Comments on Legal Battles in Chon-No Trial

SK1303023996 (Internet) The Digital Chosun Ilbo WWW in English 1223 GMT 12 Mar 96

[Editorial: "Overcoming the 1980s"]

[FBIS Transcribed Text] The defendants and their lawyers in the trial of the December 12 and May 18 incidents insist that there was no premeditation on their part in the 1980s. But the fact that so many people with painful memories are watching the trial closely will indicate that this not the case. This is evident when the voices of victims of Kwangju, the protests of those forced from office, the anger of the politically persecuted and the criticism of intellectuals are considered.

The prosecution and defense are engaged in a heated battle of wits over whether the December 12 and May 17 incidents were a coup d'etat, rebellion, or legal execution of the law. Also the legitimacy of the 5th Republic is being questioned. From a political perspective, military authoritarianism should be criticized. Ultimately however, once the court assumes responsibility, a legal judgment should take precedent over a political one. The defendants and prosecution should proceed under the principle of legal objectivity and the judges' role in this case should be to create an environment in which it is guaranteed.

The prosecution should not forget the legal basis in zealously pursuing this case. The lawyers for the defense should not be too subjective as well. What is noteworthy in this regard is that the judges pointed out the lack of concrete facts in the indictment presented previously during No Tae-u's slush-fund trial. By the same standard we feel that the defense's opening statement "A request for an explanation and options of attorneys on the case" with the following attachment: "The revolutionary change of viewpoint concerning the Kwangju uprising" was inappropriate. Presenting the Kwangju incident in this way is slanted in that it is a stereotype defined as "creating a provisional revolutionary regime through the labor class and people's armed uprising". This is but a personal opinion and does not reflect the consensus opinion of the citizens of Kwangju.

As the cornerstone of democracy is law, we hope that years hence, students of law and historians will consider this case a precedent-setting one free of blemish.

ROK: Assault Charges Against Chon's Sons Investigated

SK1303055096 Seoul YONHAP in English 0251 GMT 13 Mar 96

[FBIS Transcribed Text] Seoul, March 13 (YONHAP) — The prosecution began Wednesday an investigation into a courtroom violence case involving three sons of former President Chon Tu-hwan.

Prosecutors are to look into the circumstances under which Kang Min-cho, 62, father of Kang Kyong-tae, a college student who was beaten to death by riot police in 1991, was attacked by Chon's three sons shortly after the public trial of treason charges facing Chon and his confidants adjourned Monday.

Kang filed Tuesday a complaint with the prosecution against Chon's sons.

An official at the Seoul District Prosecutor's Office said, "It is difficult to determine who the assailant was in the scuffle. So we'll question court employees before summoning Chon's sons - Chae-kuk, Chae-yong and Chae-man — for questioning."

The complainant, Kang, who has been hospitalized at Sadang Clinic in southern Seoul, has received medical certification that indicates his injuries will take three weeks to heal.

The prosecution plans to question Kang as soon as he recovers.

Burma

Burma: TV Reports on Surrender of Rebels in Feb

BK1203162896 Rangoon TV Myanmar Network in Burmese 1330 GMT 12 Mar 96

[FBIS Translated Text] Members of the remaining armed groups from the jungles who have accepted the genuine goodwill and the work undertaken by the government, and who have realized their wrongdoings, have giving up their armed struggle and continue to surrender their arms and ammunitions at various military camps.

In February 1996, Private Ne Lynn Oo and Pvt. Aye Tun from the Karen insurgent group's 3d Brigade surrendered with one M-16 automatic rifle and one hand grenade in the southern military command region.

Sergeant Let Thee, alias Zaw Myint, from the ABSDF [All Burma Students' Democratic Front]-Central gave himself up with one hand grenade in the northern military command region.

In the southeast military command region Sgt. Aye Win from the ABSDF 206th Battalion, Corporals Thaung Nyunt and Soe Win from the 203d Battalion, Pvts Ohn Lwin and Tin Soe, from the 201st Battalion, and Pvt. Kyaw Yee from the 203d Battalion surrendered together with one hand grenade. Pvts. Soe Than alias Than Soe, Win Naing, Than Lwin, Aung Nge, Than Naing, and Myo Thant from the BCP [Burma Communist Party] insurgent group; Sgt. Saw Hla Pe from the Karen insurgent group's 1st Brigade; Pvts. Saw Toe Kyaw, Myint Htay, Ah Win alias Tun Lin from the 6th Brigade; Pvt. Maung Thi alias Win Nyunt from the 10th Battalion; Pvt. Kan Tun from the KNDO [Karen National Defense Organization] 2d Battalion; and Office Worker Mahn Phone Maung from the central office surrendered together with one M-16 automatic rifle, one RPG, one rocket, and one mine.

They were warmly welcomed by responsible personnel from the camps and given necessary assistance.

Burma: Than Shwe Urges Citizens To Ostracize, Remove State Enemi[illegible]

BK1103151896 Rangoon Radio Myanmar in Burmese 0140 GMT 11 Mar 96

[Editorial: "Accepted as the Natural-Born Duty of All Citizens To Ostracize, Oppose, and Remove Destructive Forces" from KYEMON in Burmese dated 11 March — from the "Press Review" program]

[FBIS Translated Excerpt] The most important point in building a nation is stability of the state, community peace, and tranquility, and to be able to live in accordance with the law in a society. But there are internal and external forces that are destroying the improving stability, peace, tranquility, prosperity, and development of the state. For the sake of the interest of the country and the people, the entire public must ostracize, oppose, and remove these destructive forces. The natural-born duty of all citizens is to ostracize, oppose, and remove the enemies of the state. These remarks were made when Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and commander in chief of the Defense Services, was giving directives to responsible departmental personnel from Sandoway District at the Anawa House in Sandoway on the morning of 9 March, during his visit to the Rakhine [Arakan] State on 6-10 March.

The head of state gave these directives and instructions to allow the people to understand the conditions on stability and development of the state, the benefits from construction activities, and the threats of destructive forces, and he also highlighted ostracizing, opposing, and removing destructive forces as the natural-born duty of all citizens. He said that since it has resumed state responsibility, the SLORC has given priority to and worked for stability, peace, and tranquility of the state. He added that the political, economic, and social objectives could not be fully implemented unless there is stability, peace, and tranquility in the country. At present there are many projects that must be implemented to create a modern nation, since the condition of the state has been stabilized from all sides. He added that policies have been outlined and implemented that are compatible with the condition of the state, culture, and traditions so as to achieve the goal of creating a new nation. [passage omitted]

The SLORC has given priority to and worked for stability, peace, and tranquility of the state, and now it has been precisely and firmly implementing 12 political, economic, and social objectives. The SLORC has been implementing construction projects with increased momentum around the country, including the Rakhine State.

At present, there are destructive forces who are envious and cannot stand to see stability and development in the state. That is why, KYEMON urges the public — for the sake of the interest of the country and the people — to ostracize, oppose, and remove the acts of these destructive forces as was mentioned in the head of state's directives delivered in Sandoway during his visit to Rakhine State.

Brunei, Malaysia & Singapore

Brunei

Brunei: Foreign Minister Signs Agreement With Iranian Counterpart

LD1303134096 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1000 GMT 13 Mar 96

[FBIS Translated Text] At a meeting today between the foreign minister of the Islamic Republic of Iran and Mohamad Bolkiah, the foreign minister of Brunei, a memorandum of understanding was signed regarding extensive cooperation between the two countries. Let me draw your attention to our correspondent's report:

[Unidentified correspondent] The expansion of ties between the Islamic Republic of Iran and Brunei, on regional and international issues and on political matters relating to the world of Islam, were discussed at the second round of talks between our country's foreign minister with Haji Mohamad Bolkiah, the foreign minister of Brunei, in the port of Seri Begawan.

'Ali Akbar Velayati stressed the need for continuing support by Islamic countries for the Muslims of Bosnia and described assistance in the reconstruction of Bosnia-Herzegovina at the current juncture as important. Describing the present role of the United Nations as inactive, he said that reform in the structure of that organization so that it would be able to help international peace and security, by establishing equilibrium and justice, was inevitable.'

He added: The current talks in the Middle East have not only not solved existing problems but have further complicated the situation and escalated the security crisis in the region.

The foreign minister of Brunei, for his part, welcomed cooperation between the two countries on regional and international issues and described the holding of the two countries' first joint economic commission as the most principled measure possible for consolidating bilateral ties.

At the end of their talks, the two sides signed a memorandum of cooperation in the economic, political, cultural, scientific, educational, and commercial fields, and on joint investment. On the basis of this memorandum of understanding, the two countries' foreign ministers welcomed recent progress on free trade provisions in ASEAN and APEC [expansion unknown] and stressed the need for greater cooperation between ASEAN and the Economic Cooperation Organization.

Our country's foreign minister also held separate talks this morning with the ministers of health, industries, and natural resources of Brunei. At these meetings, the ministers expressed pleasure about recent progress in the fields of medicine, mining, and industry in the Islamic Republic of Iran and called for the preparation of the required groundwork for the transfer of these valuable experiences to Brunei.

Malaysia

Malaysia: Anwar: Bakun Project To Continue Despite Protests

BK1303104896 Kuala Lumpur THE STAR in English 13 Mar 96

[Report by Shamsul Akmar — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Anwar Ibrahim said the government will proceed with the Bakun hydroelectric dam project despite protests, as its critics offered no alternatives.

The deputy prime minister said he had met non-governmental organisations (NGOs), both local and from abroad which had called for the project to be scrapped but had not offered any viable suggestions.

"Since the meeting last year when we discussed the possibility of them coming up with other options, the critics had not come forward with any ideas.

"As we have to ensure ample electricity supply for the nation by the turn of the century, we have to proceed with the Bakun project," Anwar told reporters after opening a national seminar on the RM [Malaysian ringgit] 15 billion project here yesterday.

He said alternatives included nuclear power but the critics, especially from the West, were definitely against it.

"It is easy for those from the West especially to criticise us for proceeding with such a project as they already have theirs," said Anwar.

"In pursuing the project, we will consider its impact on the ecology, the environment and the people who will have to be relocated."

Earlier in his speech, Anwar said the government would ensure that work at all stages of the project could only be carried out by contractors after permission from the relevant authorities.

"The Cabinet committee set up three months ago will scrutinise this. We will not tolerate any attempt to perform tasks outside what had been approved.

"We will come down hard on the companies concerned if they flout this ruling," he added.

Anwar also gave his assurance that all views and suggestions would be given due consideration, although the environmental impact assessment (EIA) for the project was approved.

"I have directed the newly-appointed international consultant (Harza Engineering International from the United States) to study all the views and will incorporate whichever is relevant when building the dam," he said.

Anwar said the government would not allow indiscriminate logging or neglect the welfare of the indigenous people whose habitat would be affected.

On the electricity price from Bakun, Anwar said the matter was being discussed by Tenaga Nasional Bhd [company] and Ekran Bhd, the main contractor.

"The bottom line is that the price must be reasonable and the considerations must be made in anticipation of the situation in year 2003 (when the project is scheduled to be completed)," he said.

Malaysia: Iran's Velayati Voices Support for Fight Against Terrorism

LD1303093896 Tehran IRNA in English
0852 GMT 13 MAR 96

[FBIS Transcribed Text] Kuala Lumpur, March 13, IRNA — Foreign Minister 'Ali Akbar Velayati voiced Iran's readiness to cooperate with the United Nations in the campaign against international terrorism.

In an interview with the Kuala Lumpur-based English newspaper NEW STRAITS TIMES, Velayati described as baseless the biased propaganda against Iran, saying that the Islamic Republic itself has been a victim of terrorism and has experienced the highest number of terrorist attacks against government officials and the people.

Stressing that the White House followed a policy of double standard, he said that while the U.S. on one hand accuses Iran and Malaysia of human rights violations, on the other hand, it intervenes in the affairs of other countries.

Velayati stressed that Iran and Malaysia want to be free and this does not please the U.S.

He deplored that no measures have been taken against the terrorists who have killed Iranian political officials and have taken shelter in Western countries.

If Iran abandons its campaign for independence, it will no longer be labelled as terrorist by the Americans, said the foreign minister.

Malaysia: SRV Refugees Repatriated Under VOLREP Program

BK1303070496 Kuala Lumpur BERITA HARIAN
in Malay 13 Mar 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Subang, Tuesday — A total of 259 illegal Vietnamese immigrants from the Sungai Besi transit camp near here were sent back to their homeland today under the voluntary repatriation program (VOLREP).

They departed from the Sultan Abdul Aziz International Airport in Subang at about 1400 via an aircraft belonging to the Vietnam Airline Company, which was a special charter by the United Nations High Commission for Refugees (UNHCR).

Second Senior Assistant Commissioner Hanif Ahmad, commander of the Police Field Force Central Brigade, said that the illegal immigrants were comprised of 128 men, 87 women, and 44 children. This is the third batch of Vietnamese boat people that has been sent back to their country of origin since the 18 January riot at the Sungai Besi transit camp.

"With the repatriation of this group of illegal Vietnamese immigrants, Malaysia has sent back 5,722 under VOLREP. This figure includes the 866 people who departed on 6 February.

The repatriation program is totally financed by the UNCHR. Every adult illegal immigrant is given approximately 127 ringgit for pocket money, while children under 12 years of age receive 63 ringgit.

Malaysia has set a target of sending home all of the remaining 3,530 Vietnamese illegal immigrants in this country by 30 June, thus resolving the issue of resettlement of the Vietnamese boat people. This is based on Vietnam's commitment to expedite the process of certifying the return of the illegal immigrants and to accept their return by ship.

From the time that the first batch of Vietnamese boat people landed on Malaysian shores on 4 April 1975 until the last one arrived in 1993, the government has resettled 252,461 Vietnamese citizens, with the majority of them being sent back to Vietnam or placed in third countries.

Malaysia: Minister Comments on New Australian Government

BK1303092896 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 13 Mar 96

[FBIS Transcribed Text] The change of government in Australia is not expected to have any adverse impact on trade ties between that country and Malaysia. International Trade and Industry Minister Datuk Sri Rafidah Aziz says bilateral trade will continue as usual and Malaysia will in fact encourage greater cooperation and trade with Australia, especially between the private sector in the two countries. She hopes the new Australian Government will strive harder to get better acquainted with countries in the East like Malaysia and understand its ways.

She was commenting on the victory of the Liberal-National coalition in the Australian federal election, which saw the Labor Party ousted after ruling the country for 13 years. Expressing the hope that investment will be enhanced, Rafidah said [words indistinct] any friction that may affect trade between the private sector of the two countries. The minister will be leading a trade delegation to Australia in June to boost bilateral trade and woo Australian investors to Malaysia.

Malaysia: French Foreign Minister Views French Diplomacy in Asia

BK1203120296 Kuala Lumpur NEW STRAITS TIMES in English 11 Mar 96 p 12

[Report on an interview given by French Foreign Minister Herve de Charette to correspondent Kamrul Idris in Kuala Lumpur on 4 March]

[FBIS Transcribed Text] Over the last year or so, French diplomacy in Asia has been in a hurry to make up for lost time.

France's relations with Malaysia, economical in its conduct as well as in its emphasis, is [illegible] for a major boost, as Paris engages more energetically with the fastest growing part of the world.

"This is the beginning of a new era," said French Foreign Minister Herve de Charette at an interview with the NEW STRAITS TIMES last Monday, the second in his three-day visit.

"The relationship has been good until now, no conflict at all, but low-level. There have been good economic projects (programmes), but not enough."

Confining the relationship to its economic fundamentals, however, has been no bad thing. As stolid as diplomatic and political ties have been — de Charette's visit is the first by a French foreign minister — they have not prevented this country from becoming France's biggest trading partner in ASEAN and fourth largest in Asia after Japan, Hong Kong and China.

Total turnovers generated from joint ventures in imports and exports were close to 20 billion francs (about RM [Malaysian ringgit] 10.4 billion) last year.

"Relations with Malaysia in the economic field have been very easy," said de Charette. Acting largely on their own, French companies have followed their market instincts to build up a higher profile in this country than anywhere else in Asia.

France accounts for only 1.8 per cent of Asia's external trade but three per cent of Malaysia's, according to de Charette. Exports to France rose by a quarter in 1995, to 7.4 billion francs.

"Progress is still possible," he stressed. Indeed the charm offensive in Asia — spearheaded by President Jacques Chirac's participation at the recent inaugural Asia-Europe Meeting (ASEM) in Bangkok — pointed to just how much progress there has been in French and European attitudes towards Asia.

European introspection had been key to the overriding objectives and success of the European Union. That self-immersion is about to end as France picks up the lead, shrugs off the memories of its past, and resumes an international role in the forefront of Europe's foray into Asia.

De Charette said that Paris had taken the initiative last year in the launching of ASEM. When it held the rotating presidency of the European Union in 1995, French diplomacy became "very active" in ensuring the success of ASEM, he added.

He said France aimed to widen the bridge between Asia and Europe, and "make possible serious work between them".

"This was a very important event — the coming together or' meeting' of Asia and Europe," he said. "From now on, the relationship changes radically — it passes from 'good but weak' to 'intensive'."

The historic aspect of the shift in emphasis was not lost on the Minister. The "weakness" of the relationship in the past had been an outcome of the Second World War and French decolonisation, particularly in Indochina.

"There were fewer mutual interests," he said. "At the present time, however, the three vast regional centres — the United States, Europe and Asia — must work together."

"It is possible that the most important part is economic activity and growth," he said. But more significantly, it is France's aim to help derive "a relationship founded on mutual consideration, respect and interest, on the basis of equality".

The accent on "equality" in the "new beginning" is more than just compensation for the years of benign neglect.

Plenty of colonial history still remains to be overhauled in the evolving relationship.

For France, leaving the past behind has an added, and much more recent, significance — its nuclear testing in Mururoa Atoll.

Chirac's and de Charette's diplomatic soiree has also succeeded in repairing some of the damage done to France's standing in the region. Indeed, the seriousness of the French effort has been disarming.

"Everyone did not even speak to me about the nuclear issue," de Charette said.

"The question is behind us. It has been underestimated by the Press and public opinion. People must be equally aware of a second decision made in connection with the tests.

"France has vowed to close its testing facilities in Mururoa, the first nation in the nuclear club to have done so," he claimed.

More than globalisation and regionalism, competition with America could also lie behind European ambitions. After the US-led Asia-Pacific Economic Cooperation (APEC), the absence of an equivalent European riposte not only left it to lose ground, but to lose it as fast as Asia's economies were growing.

The long-standing row over farm subsidies at the final leg of the inauguration of the World Trade Organisation in 1993 was not about protectionism, he contended.

It was the outcome of "the natural competition in agricultural products between the two big continental markets".

The intercontinental rivalry may also have something to do with why Europe's position in world trade has not been more readily affirmed. The EU is the most open market in the world, de Charette claimed.

"No other region or country is as open as we are," he asserted. "But we want reciprocity — we want the other side to open the door as widely as we have."

"France is very export-oriented. Two to three out of 10 workers are involved in exports; the country has pledged its prosperity on international exchange.

"France is a leading agricultural country in the world, and will continue to be," he said. The Asian overture, as well as its behaviour on the international stage, are intended to underline France's position as a "powerful nation in the world".

On Bosnia, de Charette said, France had expressed its appreciation for Malaysia's unstinting support. "I thank the Malaysian Government for its role in the peace process, (which has been going on) for a very long time, but especially now in IFOR (the multinational Implementation Force).

"There has been a close relationship between (the main members of) the international contact group, which has met several times. All parties must work together in Bosnia...Malaysia has played a great part in the international community's effort (to find a solution)."

Malaysia: Minister Previews Planned Satellite Channels

BK1203111396 Kuala Lumpur THE STAR in English 12 Mar 96

[Report by Leslie Lau — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Programmes to be aired over Measat's [Malaysian East Asia Satellite's] 20 satellite broadcast channels will not be censored, Information Minister Datuk Mohamed Rahmat said yesterday.

He said Measat Broadcast would be allowed to beam programmes to subscribers' parabolic dishes on time without censorship when the country's first satellite television service is commissioned in July.

"There will be no censorship. Channels approved by the government will be beamed direct to users," he said after meeting Vietnamese Information and Culture Minister Tran Hoan.

Mohamed said the amendments to the Broadcasting Act, allowing Malaysians to own parabolic dishes, would be tabled at the next parliamentary session this month.

"The draft amendments are now with the Attorney-General's Chambers and I hope to table them at the Cabinet meeting soon," he said.

Mohamed said all Malaysians would be allowed to own a parabolic dish, which would only be able to receive Measat programmes.

He said Measat Broadcast was still negotiating with various satellite channel owners and was expected to make a decision soon on what programmes to air.

"We will allow only suitable programmes which will mainly be sports, news and entertainment shows.

"Direct-to-user broadcast is being allowed because there is nothing in sports programmes, for example, to censor," he said, adding that the government's main concern was to prevent pornographic programmes from being aired.

Mohamed said Vietnam was also considering the possibility of allowing Measat to beam its programmes into that country.

Mohamed also said the government was looking into ways to register those who set up homepages on the Internet.

Mohamed said in future there may be some regulations, because the Internet could become a tool to affect racial harmony.

Cambodia

Cambodia: Hun Sen Acknowledges U.S. Aid to KR Returnees

BK1203142296 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 12 Mar 96

[Speech by Second Prime Minister Hun Sen at a meeting to welcome Khmer Rouge [kr] returnees in Aoral District, Kompong Speu Province on (?12 March) — recorded, with poor reception]

[FBIS Translated Excerpt] [Indistinct passage omitted] Now the United States does not consider Cambodia an enemy. Foreign countries consider Cambodia a (?friend) and have provided aid to Cambodia. Let me tell you. The United States, whose representative is here today, has done the most in providing various assistance to compatriots who have returned to join the Royal Government. It has provided the most aid [indistinct passage omitted].

Cambodia: Paper Reports Official Protest Against Drug Listing

BK1203102396 Phnom Penh PHNOM PENH POST in English 8-21 Mar 96 pp 20, 19

[Report by Jason Barber]

[FBIS Transcribed Text] United States President Bill Clinton has specifically pointed the finger at "narcotics-related corruption" among Cambodian Government officials, business people, military and police.

Cambodian Foreign Minister Ing Huot, in rebuttal, urged the U.S. to reveal any evidence it had to support Clinton's statement.

"If America and other countries know who is involved, they should tell us. We are willing to cooperate," Huot said this week.

Despite the allegation of government and business complicity in the drug trade, Clinton gave Cambodia a reprieve and did not impose U.S. aid sanctions on the Kingdom. In fact, he "certified" Cambodia as a country which was making efforts to stop the flow of drugs.

In a 23 Feb letter to Congress President Clinton added two countries — Cambodia and Belize — to an official U.S. Government list of "major illicit drug producing and drug transit countries."

"Over the past year we have seen numerous indicators that the heroin trafficking problem in Cambodia is severe," Clinton wrote.

"Cambodian police and customs sources have uncovered narcotics cases that involve the Cambodian military and police.

"Narcotics-related corruption also seems to be a problem in government and business circles," he added.

While Clinton referred to Cambodian and Thai drug investigations netting military and police suspects, he did not give any substantiation for his comment on government and business people.

Citing an estimate by one Cambodian policeman that 600 kg of heroin was smuggled through Cambodia each week, the president wrote: "While we have no evidence to corroborate this figure, which seems high, seizures in Cambodia give us reason to believe there is a significant volume of heroin transiting the country."

He referred to a 71 kg heroin seizure in Koh Kong in August — the largest ever in Cambodia — and said that the "extent of narcotics-related corruption suggests the overall drug transshipment problem in Cambodia may be even greater than recent seizures suggest."

Clinton noted the Royal Government had formally acknowledged the drug transiting problem and established an interministerial committee against narcotics.

Cambodia was added to the U.S. drug list — which numbers 31 countries this year, including all of Cambodia's neighbors, Thailand, Laos and Vietnam — as a "transit country."

The U.S. President is required to update the list annually, under a 1986 amendment to the Foreign Assistance Act which permits the cutting off of most U.S. aid to countries which do little to stem the flow of drugs to the U.S.

The amendment was borne out of Congressional concern that the government was too soft on drug producing or transiting countries, particularly if the countries were considered important to U.S. strategic interests.

Under the law, the president has to identify all major countries participating in the drug trade to the U.S., and to "certify" whether they are making efforts to crack down on narcotics.

In a subsequent Mar 1 letter to Congress, Clinton announced that he had determined that Cambodia should be given certification.

In total, 22 countries — including Cambodia and its neighbors — were certified as having "cooperated fully" with U.S. anti-drug programs or "taken adequate steps on their own" to combat the drug business.

Three countries — Lebanon, Pakistan and Paraguay — were given "US vital interests" waivers, meaning they were only certified because it was in U.S. interests to do so.

Six countries, most [of] which have decidedly uneasy relations with the U.S. — Afghanistan, Burma, Colombia, Iran, Nigeria, and Syria — were not certified. According to the law, the U.S. has to suspend all aid except humanitarian relief and anti-narcotics training and equipment, and vote against all multilateral bank loans, to those countries.

In fact, according to the law, half of all U.S. aid to Cambodia should have been suspended for the seven day period between Clinton's Feb 23 naming of Cambodia on the U.S. drug list and his subsequent certification of the country. But that was apparently forgotten.

Cambodia, nevertheless, was not happy to have its name ranked alongside some of the biggest drug nations in the world.

"We do not want to be on that list," Secretary of State for the Council of Ministers Neou Kanon said this week.

"We recognize that it is really an international problem. We are really the victims — [Cambodians] are not the people who are using drugs."

Ing Huot said that First Prime Minister Prince Norodom Ranariddh — who suggested this week that the U.S. should put itself on a list of "countries that use drugs" — would be writing to the U.S. government to complain.

"Cambodia is trying hard to cooperate fully with all agencies to stop drug transiting," Huot said.

On government officials' alleged involvement, he said: "If there's anyone in the government, they [the U.S.] should tell us, to find out who they are.

"If there is someone in the government [involved in drugs], so be it, he should be arrested. But to accuse the government as a whole is not fair."

Cambodia: King Sihanouk Returns Home From Beijing

BK1303024396 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 13 Mar 96 pp 1, 2

[Report by Meanop]

[FBIS Translated Excerpt] His Majesty King Norodom Sihanouk Varaman arrived back in Phnom Penh on the afternoon of 11 [March]. He did not make any public comments to the press.

The king, walking on red carpet, looked a little pale, although he was smiling delightedly. [Hong Kong AFP in English at 1059 GMT on 11 March in a Phnom Penh datelined report says: "The 73-old monarch gave no visible indication he was in poor health, looking fit and spry as he disembarked from the white government jet which brought him from Beijing, where he had been undergoing medical tests since late January."]

Information Minister Ieng Muli disclosed that the king, in the presence of the persons greeting him, said: "Doctors have said that I am sick, but I feel otherwise."

The health of the king is a subject of great concern to the people and is widely discussed; it is also an issue that political observers have closely monitored because it is connected to the future of Cambodia. [passage omitted]

Cambodia: PGNUNS Cabinet Issues Resolutions on Land Issue

BK1203052596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 11 Mar 96

[Resolutions by the cabinet of the Provisional Government of National Union and National Salvation on 11 March; place not given]

[FBIS Translated Excerpt] [passage omitted] III. The problem of the peasantry being deprived of their land represents a danger to the survival of the Cambodian nation, people, and race. In the face of such a serious situation:

1. The Provisional Government of National Union and National Salvation [PGNUNS] and the National Union Party are resolutely and unswervingly staying with and joining the peasants in continuing the struggle to prevent, at all costs, the communist Vietnamese enemies and their two-headed puppets from plundering, controlling, and seizing land with impunity. The peasants should own land. Land, rice fields, and orchards are in effect the peasants' lives. Without land, the peasants will die. Only with land can our peasants, people, and nation survive.

2. The PGNUNS joins the Cambodian nation and people in categorically condemning the communist Vietnamese aggressors and their puppet lackeys for continuing the war aimed at doing away with Cambodia's sovereignty and territorial integrity and killing the Cambodian nation and people in keeping with their policy to plunder the land and starve the people.

3. All of the treaties and agreements the communist Vietnamese aggressors have ordered their puppets to concoct since their invasion and occupation of Cambodia at the end of 1978 are all rejected and considered null and void. Cambodia's territorial integrity as it is recognized in the 1:100,000 scaled map officially and solemnly recognized by the international community before 1970 is absolutely untouchable.

4. The Vietnamese in Cambodia, who are the aggressor forces wolfing down and swallowing Cambodia, have no right whatsoever to live in Cambodia and to own a single piece of land. They must return to Vietnam. Land, rice fields, and orchards plundered by the Vietnamese must be returned to the Cambodian nation and people, who are the original owners.

5. The nation-betraying two-headed administrations must be disbanded. Land plundered by the administrations of the nation-betraying communist Vietnamese puppets must be confiscated and returned to the Cambodian people.

6. All of the contracts struck by the nation-betraying two heads with unscrupulous merchants to auction the land, seas, and islands, Kompong Som, and the forests of Cambodia are all rejected and considered null and void.

IV. The PGNUNS' is continuing to fight and struggle along with the peasantry to demand the return of territory, rice fields, orchards, rivers, and lakes, thus ensuring the survival of the people and their continued existence in an independent, sovereign, unified, and peaceful Cambodia with territorial integrity and under a pluralistic liberal democratic and market-economy regime.

V. The provincial and district committees and the National Army units are charged with implementing the PGNUNS cabinet's resolutions above in an absolutely correct and resolute fashion.

[Dated] 11 March 1996.

[Signed] Khieu Samphan, prime minister and minister of the National Army of the PGNUNS.

Cambodia: Khmer Rouge Lose Major Base to Government Forces

BK1203120696 Bangkok NAEO NA in Thai 12 Mar 96 p 2

[Unattributed report]

[FBIS Translated Text] Heavy fighting was reported inside Cambodia opposite Aranyaprathet District in Sa Kaeo Province over the last few days. About 2,000 Cambodian Government forces supported by heavy weapons pounded Khmer Rouge troops at the outposts around Phum Khla Ngoap operational base from all directions. More than 500 Khmer Rouge soldiers abandoned their outposts and withdrew into Phum Khla Ngoap. Government soldiers advanced and finally seized the Phum Khla Ngoap operational base on 11 March.

Colonel Em Saray, deputy commander of the 12th Division, reported that government soldiers seized Phum Khla Ngoap at 0700. They killed dozens of Khmer Rouge soldiers. Khmer Rouge forces have been trying to regroup at Phnum Malai, another stronghold with civilian population. The Cambodian Government has deployed soldiers in the three newly captured areas — Phum Khla Ngoap, Hill 25, and Hill 35. Government forces are planning an advance to capture Phnum Malai.

According to correspondent reports, the government suffered heavy losses in taking the Phum Khla Ngoap operational base, with more than a hundred soldiers killed and two tanks destroyed. The Khmer Rouge loss was smaller. They also strewed landmines along the way as they were retreating.

Cambodia: Article Reports Pursat Military Situation

BK1203120896 Phnom Penh PHNOM PENH POST in English 8-21 March 96 p 5

[Report by Huw Watkin and Christine Chaumeau]

[FBIS Transcribed Text] Pursat/Battambang — The Khmer Rouge [KR] are planting explosives and making hit and run attacks around Route 5 in a bid to deny military supplies to the dry season frontlines.

Bridges and culverts have been blown, at least one truck fired upon and large numbers of guerrillas reported in several neighboring districts.

Route 5, stretching from Phnom Penh to Battambang, is a vital supply line for government forces pushing toward KR-controlled Pailin.

Provincial authorities in Pursat say the security situation in the province is worse than at any time since 1993, particularly in Krakor District between Route 5 and the Tonle Sap lake.

Second Deputy Governor Pech Sokhin said last week that the KR was gathering forces to cut Route 5 at several points in Krakor. Two bridges had been severely damaged by saboteurs in the district in four days in late February.

"The Khmer Rouge are very determined and they've changed their tactics — now they are also burning schools and the houses of people who don't support them," he said.

Pursat's chief of provincial police, Colonel Yin Ngean, agreed with Pech Sokhin's assessment and added that his forces faced about 500 active KR troops mobilizing to cut route 5.

About 100 of those had gathered in small, mobile units in the south of Krakor and in Kravanh district.

"We have them contained in this area, but the terrain is very difficult and they can slip past quite easily," Colonel Ngean said.

"Their strategy has three objectives — to disrupt development, to tie down government forces, and to cut Route 5.

"We are doing our best to secure the province," he said," but the offensive in the northwest of the country means I have fewer resources."

Unofficially, provincial authorities are maintaining an open door policy to encourage further defections from the KR, but one recent defector who spoke to the POST said those remaining were highly motivated.

Chiv It, who until January was with the KR's 5th Division, said his former commanders were interested in a political solution to end Cambodia's war, but wanted to bargain with the government from a position of strength.

It said his former comrades had been convinced by their commanders that they were fighting to free Cambodia from Vietnam's influence.

"They have a strong belief in what they are doing," he said, though he added that many KR soldiers were "confined to camp to prevent contact with Cambodians who are sympathetic to the government."

It supported long-standing allegations that the KR were able to receive supplies from Thailand and buy ammunition from their enemy — the Royal Cambodian Armed Forces [RCAF] — in Cambodia.

"They have plenty of food and medicine from Thailand. Their equipment is a bit old but [the KR] can buy plenty of ammunition in Cambodia."

He said he had rode on a 30-truck convey carrying supplies from Thailand last June. He was unable to give any specific examples of the KR buying bullets from the RCAF, but believed that was the case.

It said the KR in Pursat were well-financed. "Money is not a problem — I never saw any beggars in the areas they control."

In Kravanh, authorities said the KR made money from logging — with timber transported to Koh Kong and sold to unknown buyers — and quarrying stone.

Chav Khan, the district chief, said: "We estimate they cut five thousand cubic meters of timber last year and we have seen large numbers of trees marked for logging this year."

In Battambang Province, KR were reported to have moved down Route 10 — which goes to Pailin — to Moung Russei District near Route 5.

"Every week the Khmer Rouge carry homemade mines and ammunition in the south of the district," said Nuon Say of Battambang provincial police. "It's difficult to guess how much has been carried but in February they [were seen] using three ox-carts to move from one place to another."

Their aim was to disrupt supplies and RCAF reinforcements traveling up Route 5 through Moung Russei.

"Moung Russei is like a man's throat. If you cut it, it dies," said Say.

Officials estimated there were 150-200 KR in Moung Russei, after guerrillas from KR Division 705 joined Division 36 forces usually based at Bos Dong mountain on the Battambang/Pursat border.

Explosives have been planted on Route 5 and in mid-February about 35 men were reported to have attacked a cement truck. According to a district report, the men were dressed in police uniforms purchased from a local market.

Security is particularly bad near at Prek Chit, 52 km south of Battambang town near the border with Pursat province, about 10 km from Route 5.

"There are 50 Khmer Rouge to the south and 50 more to the north," said Sok Saluet, commander of 8th Division RCAF soldiers based at Prek Chit. "They are within eight kilometers of here."

KR activity increased after RCAF began its offensive toward Pailin, and "they are more numerous than last year and they usually move in bigger groups than they used to."

Uk Kong, deputy district chief of Moung Russei, whose home town is Prek Chit, said the dry season situation had been the same for years.

"Each year, it is always the same thing. The Khmer Rouge always come back."

Cambodia: Negotiator on Defection of Khmer Rouge General

BK1203104896 Phnom Penh PHNOM PENH POST in English 8-21 Mar 96 pp 1, 3

[Report by Matthew Grainger and Ker Munthit]

[FBIS Transcribed Text] Khmer Rouge defector General Heng Pong was courted by the Royal Government with a night in a Phnom Penh hotel, a case of Hennessy cognac, ice, soft drinks, and amnesties and rice for his men.

Heng Pong — a senior political cadre — also asked for a $40,000 land cruiser and his military commander Doeun asked for a $30,000 vehicle of the same make.

One of the members of the 15-man RCAF [Royal Cambodian Armed Forces] negotiating team interviewed by the POST could not say whether the vehicle concession was eventually granted.

All in all, the government has every reason to celebrate the turning of the most senior Khmer Rouge commander ever to defect, along with 357 of his soldiers, and around 400 families — 1,313 people in all, many of them children.

The biggest defection since the 1993 elections — brokered finally on Feb 23 on Phnom Aoral in Kompong Speu — should cause a big dent in the rebels' military strength.

Heng Pong, 47 — who was thought at one time to be a member of the rebels' central committee — had it in his mind to defect two years ago but apparently didn't have any RCAF contacts to do so, said one of the negotiators, who would not be named.

At the beginning of this dry season, he managed to make his wishes known, via relatives and loggers operating in the area, he said.

"The army thought it was a good idea," said the RCAF negotiator, when asked if such advances could have been considered a trap. "We used a helicopter to fly to the army base, then drive to the mountain, however we had made preparations in case things turned upside down".

He said that he felt nervous driving into Phnom Aoral because it was the first time he had been into a KR [Khmer Rouge] zone. The negotiators had first flown by helicopter to an RCAF outpost in Kompong Speu. However, negotiators knew that Pong had previously been to Phnom Penh to discuss his surrender and had been put up in a city hotel earlier that month.

Negotiators were instructed to make as many concessions as they needed to assure Pong's defection, he said. Pong will keep his rank and his people would be given supplies, such as rice, salary and ammunition to fight their former colleagues, he said.

Military intelligence sources say that the Khmer Rouge still maintained one division, 19, in Koh Kong and Division 17 that operated in Takeo and Kampot provinces.

"[Heng Pong and his men] want to keep living in the area.... His trip to Phnom Penh wasn't really official, it was secret. The negotiations on Phnom Aoral were official and where they learnt what the government could offer them," he said.

When asked if Pong wanted anything special, he said that a letter had been addressed to Second Prime Minister Hun Sen for two landcruisers, the more expensive of the two to Pong. "I haven't seen the response".

The negotiator said there were many jokes made during the meeting; stories about the battles Pong's Division 18 had fought against the RCAF. "Pong joked that some of his men had relatives selling gold at Tuol Tumpung (the Russian) market. They also approached him to come down from the mountain," he said.

Cambodia: Khmer Rouge Claim Government Troops Killed

BK1203053496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 11 Mar 96

[FBIS Translated Text] The National Army, in cooperation with the poor peasants, intercepted and destroyed the two-headed forces in areas between the Pet Sep stream and Daeum Cha position, between the L'hong weir and Phteah Sang Kasei, and between Mak Haeun and Khsach weir, killing 21 enemy soldiers, wounding 20 others, and burning a T-54 tank.

The Chramoh Chruk prong: At 0630 [date not given], the National Army and people mounted a two-pronged attack to intercept and destroy a group of about 200 two-headed invading forces from the 12th and 3d divisions backed by three T-54 tanks, which attempted to retake the L'hong weir from us.

In the first prong, we intercepted them with mines in an area between the Pet Sep stream and Daeum Cha position, west of Chramoh Chruk. We killed four enemy soldiers on the spot and wounded two others. Afterward, we managed to set up 10 blocking points on an enemy supply line.

In the second prong, we intercepted them with mines in an area between the L'hong weir and Phteah Sang Kasei, killing five enemy advanced ground troops on the spot and wounding six others. As for the three tanks and the ground troops protecting the tanks, which were moving forward to help those killed or wounded, they were surrounded. One of the tanks was hit and exploded in flames; the enemy soldiers on board were all killed. We forced the two other tanks to retreat. We also encircled and killed seven of the ground troops protecting the tanks and wounded five others.

In sum, we managed to force the enemy forces in the two prongs to retreat behind their lines, leaving all of their dead at the site.

The Mak Haeun prong: At 2330 on 8 March, the National Army and the poor peasants ambushed a (TIL-131) truck carrying troops in an area between Mak Haeun and the Khsach weir. We fired at and destroyed the truck when it arrived in an area north of Pheas Khluon. We killed five of the enemy soldiers on board, wounded seven others, and destroyed a quantity of war materiel. After that, we managed to plant a great many anti-tank and anti-personnel mines.

Indonesia

Jakarta Seeks Soft Loans From U.S. for F-16 Purchase

BK0803105896 Jakarta ANTARA in Indonesian 1034 GMT 8 Mar 96

[FBIS Translated Excerpt] Jakarta, 8 Mar (ANTARA) — Ms. Benazir Bhutto, prime minister of the Islamic Republic of Pakistan, on Friday (8 March) sought President Suharto's support for her country to become a full dialogue partner of the ASEAN Regional Forum. [passage omitted covered by referent item]

F-16 Jet Fighters [subhead]

Meanwhile, Minister and State Secretary Murdiono said the U.S. Government recently made an official offer to sell a number of sophisticated F-16 jet fighters to Indonesia.

"The government's main priority is economic development. Nevertheless, Indonesia will seriously consider the U.S. offer if the U.S. Government is ready to give soft loans for it to buy the F-16 jet fighters," Murdiono said. [passage omitted covered by referent item]

Indonesia: Alatas on Tense China-Taiwan Relations

BK1303104996 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 13 Mar 96

[FBIS Translated Text] Foreign Minister Ali Alatas expressed the hope that China and Taiwan will apply restraint, and try to prevent the outbreak of an armed conflict. The reason is, if this happened, it would regress development in relations between the two nations that have been achieved thus far.

Ali Alatas was speaking at a working meeting with members of the Parliamentary Commission I [Roman numeral one] (dealing with foreign affairs, information, defense and security) headed by Deputy Chairman Abu Hasan Sazali in Jakarta today.

Alatas also expressed concern over tensions between China and Taiwan that have been escalating lately. The tense relations are also connected to the upcoming presidential elections in Taiwan scheduled for 23 March.

However, Indonesia does not want to interfere because it regards China's reunification as a domestic affairs issue of the Chinese nation and its people. Indonesia continues to recognize the one China system which it has been adopting so far.

Indonesia: 'Hundreds' Continue Riots Around Freeport Mine

BK1303035796 Hong Kong AFP in English 0334 GMT 13 Mar 96

[FBIS Transcribed Text] Jakarta, March 13 (AFP) — "Hundreds, even thousands" of local residents rioted for the fourth day around the giant US-owned copper-and-gold Freeport mine in Timika, Irian Jaya, a military source said.

"It's still a mess here, hundreds, even thousands of people are rioting at the market, it's like a tribal war," Corporal Zahlan of the Timika military unit told AFP by phone Wednesday.

The Antara news agency quoted a source at the military command in Irian Jaya as saying that seven people suspected of instigating the rioting have been arrested.

The seven people, all from the village of Hwa/Banti, have been under arrest since Sunday, Antara said, identifying them as Jarry Kogoya, Edison Murip, Fedelis Songgohau, Arsinus Murip, Otto Dianal, Tinus Waker and Juaringgo Kogoya.

Freeport owns about 26,400 square kilometres (6.53 million acre) of copper and gold mines around Timika.

Zahlan said that troubles commenced again at sunrise, following a night of relative calm. He also said that migrant traders, mostly from South Sulawesi, "seem to be targeted this morning."

He added that the military has been guarding "vital sites" like the airport, telecommunication office, and markets, against the angry masses "armed with sharp objects like machetes and axes."

"But it's difficult for the security officers to act as there are also women and children among the rioters," Zahlan said.

The military said that the troubles started Monday in Timika, the site of Freeport's offices, sparked by a "misunderstanding" after a road accident last weekend in which a local resident was injured by a Freeport employee.

However, other sources have said that the troubles began Sunday in Tembagapura, the Freeport mining site, and spread to neighboring towns, including Timika.

The riots peaked Tuesday, when thousands took to the streets, attacking Freeport offices and the airport.

A Jakarta source with close links to Irian Jaya told AFP Tuesday that three people died after a Freeport vehicle hijacked by rioters crashed, killing three protestors who were inside it.

A Timika church source said that two local residents were shot in the leg by the military as they defended Timika airport against rioters.

All Freeport offices and vehicles were "very badly damaged," adding one office area near the airport had been "completely burned down," the church source said.

The source had warned that the rioting "may start again tomorrow" unless the senior local mine official, James Moffat, spoke to the people.

Angry rioters had demanded to speak to Moffat, CEO of the New Orleans-based Freeport McMorran, the parent company of PT Freeport Indonesia, the source said, without specifying the rioters demands.

PT Freeport Indonesia, a subsidiary of US-based Freeport McMorran and one of Indonesia's largest foreign investors, has been repeatedly criticized for alleged environmental and human rights issues.

The military around the Freeport mines have been using Freeport facilities, including for actions alleged to be human rights abuses. Others have also criticized the company, alleging it has closing its eyes to the abuses.

Last week, Indonesia's National Human Rights Commission said it would send a team to Irian Jaya at the request of the local Amungme tribal council to reopen investigations into alleged killings and torture in and around the mines.

Last year, the commission accused Indonesian security forces of human rights violations, including 16 killings and several cases of torture.

In February, an Irian Jaya military tribunal jailed an army officer and three soldiers for up to three years for the killings.

Last November, a statement by members of 19 non-governmental organisations from seven countries, including the United States, accused Freeport of "massively altering the landscape, irreparably damaging the rich biodiversity of the area, and harming ... local indigenous communities."

The US federal Overseas Private Investment Corporation (OPIC) last year cancelled 100 million dollars in political risk insurance for PT Freeport Indonesia.

Indonesia: Suspects Linked to Mine Riot Arrested

BK1303024196 Jakarta ANTARA in Indonesian 1305 GMT 12 Mar 96

[FBIS Translated Excerpt] Jaya Pura, 12 Mar (ANTARA) — Security forces have detained seven residents of Hwa/Banti village suspected to be the perpetrators of the unrest at the P.T. Freeport mining company complex in Tembagapura, Irian Jaya.

ANTARA sources from the Trikora 8th Military Region Command said on Tuesday night that the seven villagers were detained for questioning in connection with the riot that seriously injured three mining company workers and slightly injured 12 others.

The seven villagers who have been detained are: Jarry Kogoya, Edison Murip, Fedelis Songvonau, Agsinus Murip, Otto Dianal, Tinus Waker, and Juaringgo Kogoya. [passage omitted covered by referent item]

The authorities have managed to quell the rioting so that the area around Tembagapura is now under control; however, Timika Airport in Timika is closed to domestic flights.

When contacted, Captain Caj Edi Sulistiajie, duty officer at the Trikora 8th Military Region Command, said that the command had not issued any formal statement thus far in connection with the rioting cases.

Captain Caj Edi has said that Infantry Lieutenant Colonel Maulud Hidayat, head of the Information Service of the Trikora 8th Military Region Command, and other officers from the command are still in Timika.

Indonesia: Irian Jaya Kidnappers Refuse To Release Hostages

BK1303093796 Jakarta REPUBLIKA in Indonesian 13 Mar 96 p 20

[Unattributed report]

[FBIS Translated Excerpt] Wamena — The International Committee of the Red Cross (ICRC) team has not been able to secure the release of the 12 hostages held captive by the Irian Jaya security disturbance movement [GPK] at Mapenduma Village, Tiom Subdistrict, Wamena.

The 'Sacred Letter' from Mozes Werror, chairman of the PNG or Papua New Guinea-based OPM [Free Papua Movement] Revolutionary Council, has not been effective in persuading GPK leaders Kelly Kwalik and Daniel Yudas Kogoya to free the hostages. The letter was handed over at the place where the hostages were held yesterday.

Therefore, it means that Kwalik and Kogoya have for the third time let down the ABRI [Armed Forces of the Republic of Indonesia] Task Unit personnel and the mediators involved in seeking the hostages' release. [passage omitted]

This strange issue is now being debated by the ABRI Task Unit personnel in Wamena and the ICRC representatives at the 1702 Jayawijaya Military District Headquarters. REPUBLIKA says that even though Kwalik has received Mozes Werror's letter and agreed to release the hostages, he is attaching several conditions to it. Among other things, he says only the ICRC team can release the hostages and that others are not allowed to do so. This includes the ABRI Task Unit. There should be a guarantee that the ABRI will not hunt down Kwalik after the hostages have been released, as promised by Major General Dunija, commander of the Trikora 8th Military Region Command some time ago. The promise was aired in the local language by RRI [Radio Republic of Indonesia] station in Wamena. [passage omitted]

Indonesia: Churchman Denies Report Calling Him Courier

BK1303055396 Jakarta ANTARA in Indonesian 1315 GMT 12 Mar 96

[FBIS Translated Excerpt] Jayapura 12 Mar (ANTARA) — Churchman Welly Rum has strongly denied the report citing him as the courier who conveyed the message from Mozes Weror, leader of the Papua New Guinea [PNG]-based GPK IRJA [Irian Jaya security disturbance movement], to Kelly Kwalik ordering the release of the hostages.

Speaking to ANTARA in Wamena, Rum admitted that he had met Mozes Weror some time ago in Madang, but Weror, who claims he is chairman of the GPK IRJA Revolutionary Council, [words indistinct] the message on the release of the 12 hostages. The hostages are members of a WWF [Worldwide Fund for Nature] research team who were taken hostage by the GPK group led by Kwalik and Kogoya.

According to Rum, the GPK leader handed him a letter addressed to Kwalik when he met Weror in Madang in the forest of Irian Jaya.

"As far as I knew, the content of the letter, among other things, called on Kwalik and Kogoya to carefully look after the safety of the hostages and to wait for a future decision from Weror about the release of the hostages," he said.

There was no special instruction on the release of the hostages with this, Rum added.

Responding to a journalist's question on the Australian press report that said that the hostages would be released within two or three days' time following the outcome of a meeting between the International Committee of the Red Cross (ICRC) team and Mozes Weror in Port Moresby, Rum said that he did not know of such a plan. [passage omitted]

There have been no contacts between the GPK and the ABRI in Wamena since the ICRC team returned to PNG.

Indonesia: Jailed Irian Jaya Separatist Movement Leader Dies

BK1303100796 Hong Kong AFP in English 0958 GMT 13 Mar 96

[FBIS Transcribed Text] JAKARTA, March 13 (AFP) — A jailed leader of the separatist movement in Irian Jaya, Thomas Wanggai, died in his Jakarta prison Wednesday, hospital staff said.

Wanggai, formerly an Indonesian civil servant working for Irian Jaya's Provincial Development Planning Board (Bappeda), was president of the Free Papua Movement (OPM).

He was sentenced in the 1980's to 20 years in prison for his activities in the OPM.

Indonesia: New Air Force, Navy, Police Chiefs Named

BK1303055296 Jakarta REPUBLIKA in Indonesian 12 Mar 96 p 1

[Unattributed report]

[FBIS Translated Excerpt] Jakarta — Air Marshal Sutria Tubagus S.I.P. [Master of Political Science], will assume the post of Air Force chief of staff, while Rear Admiral Arief Kushariyadi will replace Admiral Tanto Kuswanto as Navy chief of staff, and Major General (Police) Drs. [Master of Arts] Dibyo Widodo will replace Gen. (Pol) Banurusman as chief of the Republic of Indonesia Police.

According to Colonel Atmaji A.P. [surname unexpanded], chief of the Indonesian Air Force Information Service at the Air Force Headquarters yesterday (11 March), Air Chief Marshal Rilo Pambudi, outgoing Air Force chief of staff, will hand over the post to Air Marshal Sutria Tubagus S.I.P. in Yogyakarta on Monday (18 March). [passage omitted]

Philippines

Philippines: Official, Legislators Caution Against Assisting U.S.

BK1303013896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 12 Mar 96

[FBIS Translated Text] Senator Francisco Tatad has explained that the Philippines is not obliged to assist Taiwan if war breaks out between Taiwan and China. He added that a two-thirds vote of the Senate and the lower house is required as the basis for a decision by the Philippines to become involved in the conflict. Meanwhile, Jaime Lopez, chairman of the House Foreign Relations Committee, has said that the Philippines should not rush to abandon the one-China policy. He supported Tatad's statement that the Philippines is not obliged to support Taiwan with U.S. assistance on the basis of the RP [Republic of the Philippines]-U.S. Mutual Defense Treaty.

[Begin Lopez recording, in English] We are not exactly committed to follow automatically what the United States will do in case of conflict between the United States and China but, if in the remote possibility that the US will confront China in this crisis, we are not automatically bound to follow the United States. As a matter of fact, under our Constitution, we have to follow an independent foreign policy, and the consideration is our national interest and our territorial integrity. [end recording]

Meanwhile, Defense Secretary Renato De Villa has said that the RP-U.S. Mutual Defense Treaty must be studied carefully before the Philippines can take any steps on the issue.

[Begin recording] [De Villa, in English] Let us read the treaty very carefully, so we can better understand it. [preceding sentence in Tagalog] There is the condition that, there is a condition that it must be in the Pacific area or in the Pacific region. So, there are legal nuances and processes that must be satisfied before any commitments can be made on the ground. Okay?

[Unidentified correspondent] Sir, attack on American citizens in Taiwan, near Taiwan. Will that qualify? Chinese [word indistinct]?

[De Villa] I do not know, I will have to study the treaty very carefully. [end recording]

Philippines: Further Comment on Assistance to U.S.

BK1303050296 Manila BUSINESS WORLD in English 13 Mar 96

[Report by Wilfredo G. Reyes, Jemileen U. Nuqui, Conrad M. Cariantildeo, Carlo B. M. Santos and Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] The United States cannot expect automatic Philippine support should the former invoke the Mutual Defense Treaty (MDT) to force the latter into direct involvement in any conflict situation between Mainland China and Taiwan.

Also, officials yesterday said the dispute remains in the informal agenda of the Association of Southeast Asian Nations (ASEAN) despite the heightening tension in the Taiwan Strait.

Bambang Triantoro, head of the visiting delegation of Indonesia's Supreme Advisory Council to President Suharto, Foreign Affairs Undersecretary Rodolfo Severino and Defense Secretary Renato de Villa yesterday said the issue has not prodded ASEAN defense and foreign affairs officials to talk about the issue in any formal forum.

Triantoro and Severino, however, acknowledged that ASEAN foreign affairs officials have discussed it on an informal level.

All three officials were hesitant to comment, saying they do not expect ASEAN to forge a united stand. Mr. de Villa hinted that current ASEAN security relations will remain at the current level "with or without the Taiwan situation", saying the issue "is irrelevant to our (ASEAN security) cooperation."

While he acknowledged "the situation bears watching", Mr. de Villa joined Justice Secretary Teofisto Guingona, Lower House foreign affairs committee chairman Rep.

Jaime Lopez and Mr. Severino in saying the US cannot expect automatic RP support should the former invoke the MDT.

Specifically, de Villa and Severino cited three preconditions for a positive RP response: attack by a third country on either MDT party, a clear and formal request for assistance by either MDT party and the processing of the request through constitutional requirements such as congressional approval.

Mr. Lopez joined Mr. Severino in saying the government will likely retain its One-China policy, by which the Philippines recognizes Beijing as the sole legitimate government of China, so long as the current tension does not develop into outright conflict.

Mr. Severino said he will present the government's request that both Chinese states observe and exercise "utmost restraint" during the RP [Republic of the Philippines]-China vice ministerial meeting tomorrow and that the ASEAN special senior officials' meeting this 8 April may discuss this problem.

Senior Chinese foreign affairs officials led by its vice minister are scheduled to arrive in Manila today to start two days of bilateral talks with Philippine officials.

The two sides are expected to discuss concerns such as Beijing's continued occupation in Mischief Reef; the involvement of alleged Chinese military men in piracy off the coast of Zambales; China's military wargames near the Taiwan Straits; as well as economic issues.

Mr. Severino said the government does not expect the situation to escalate into a shooting war "although the problem with this kind of situation is that the danger of miscalculation is always present and the more people do things, the more the chances of miscalculation are."

A ranking intelligence community official agreed , saying: "The situation has gone to such an extent that Beijing has already squandered any element of surprise it could have capitalized on to launch an attack or invasion, by trumpeting a show of force."

The Senate, meanwhile, will probe the increasing tension along the Taiwan Strait and the new Chinese structures reportedly being built on Mischief Reef, with Senator Orlando Mercado yesterday filing a resolution calling for the inquiry by the committees on foreign relations and national defense.

"China's missile tests can alter the balance of power in the disputed territories in the South China Sea, including the Kalayaan [Spratlys] Islands, which may be in contravention of the RP-China Code of Behavior," he said.

Mr. Mercado added that the Senate would also study whether the Philippines has an obligation to aid the US under the MDT.

Senator Francisco Tatad said the country need not be involved even if armed conflict breaks out, saying "The country is under no obligation under the treaty to join such intervention. It would be a disservice to the country to assume that we have such an obligation."

He pointed out even if an armed conflict breaks out and the US unilaterally intervenes and is met with hostile forces, he cannot see Congress invoking the treaty to go to war.

As this developed, Philippine offices in Taiwan are ready to deal with any emergency situation if China's saber-rattling erupts into a war.

Taiwan labor attache Dante Ardivilla said the Manila Economic and Cultural Offices (MECOs) have already prepared a comprehensive plan.

However, Mr. Ardivilla said the tension in Taiwan is exaggerated. So far, the MECOs have not yet received any request for repatriation and that there is still no panic-buying.

There are around 100,000 Filipino workers, tourists and businessmen in Taiwan. Mr. Ardivilla said the three MECOs in Khaoshiung, Taichung and Taipei are ready.

Aside from the three MECO offices and buildings, Filipino non- governmental centers and Catholic establishments are also prepared.

Aside from preparing the centers, the MECOs are making provisions for food, medicine and water. If a war erupts, Mr. Ardivilla is not ruling out a massive repatriation.

He said the government has already identified shipping lines and airlines that can help but did not give specific details. It only takes 45 minutes for a commercial aircraft to reach Appari from Taipei.

Meanwhile, the Armed Forces of the Philippines (AFP) said two C- 130 cargo planes are now on standby for the possible evacuation of Filipino workers. "If we are told to go then we will go," AFP chief Gen. Arturo Enrile said.

Mr. Enrile also downplayed the presence of United States naval forces in the Philippines and said the presence of US troops was not connected with the heightening tension between Taiwan and China.

"This is just a normal exercise facilitated by the Mutual Defense Treaty between the US and the Philippines. We have decided last year to push the exercises earlier in the year because of the Asia- Pacific Economic Cooperation meeting in November," Mr. Enrile said.

Philippines: Manila Urges PRC To 'Exercise Restraint' in Strait

BK1303045996 Manila PNA in English
1422 GMT 12 Mar 96

[Received via Internet]

[FBIS Transcribed Text] Manila, March 11 (PNA) — The Philippine Government has formally called on the People's Republic of China to exercise restraint on the escalating Taiwan Straits tension to safeguard the peace and stability in the Asia-Pacific region.

Acting Foreign Affairs Secretary Rodolfo Severino today summoned Chinese Ambassador to Manila, Guan Deng Ming, to receive the Philippine Government's message.

Aside from the Philippines, other Southeast Asian and Asia- Pacific countries have expressed grave concern over the escalating tension across the Taiwan Straits brought about by the Chinese military exercises in the area timed with the Taiwan first-ever presidential elections.

Over 100,000 Chinese troops are reportedly massed at the Fujian Province in Southeast China, just 200 kilometers opposite Taiwan for the massive all-military service exercises that include live missile test firing aimed at points very close to Taiwan shores.

The exercise is generally interpreted as Beijing's warning to the Taipei government to desist from its independence pursuit and to work for reunification with the Chinese mainland instead.

Taiwan has exercised self-rule since 1949 when Mao Tse Tung's communist forces drove the Chinese nationalists to the island. Beijing vehemently opposes Taiwan's independence.

Southeast Asian and Asia-Pacific countries have expressed apprehension the Taiwan Straits conflict could set back the momentum of the galloping economic progress in the region.

To remind China of the other nations' serious concern over the Taiwan conflict, the United States has positioned two of its giant aircraft carriers, including the USS Independence north and southeast of Taiwan.

DFA [Department of Foreign Affairs] Assistant Secretary Lauro Baja have disclosed to reporters that the Taiwan issue will be included in the subjects for discussion when Foreign Affairs Undersecretary Rodolfo Severino meets with his counterpart, Chinese Foreign Affairs Vice Minister Teng Jiaxuan in Manila on March 13-14.

The informal bilateral talks at the vice ministerial level was intended to further enhance Philippine-China cooperation and possibly forge a breakthrough in the Spratly issue.

Baja said Severino will ask his counterpart for a full briefing on the Taiwan situation even as Chinese Premier Li Peng had earlier assured President Ramos Beijing will not provoke war with Taiwan when they met last week in Bangkok.

Philippines: Armed Forces 'Prepared' for PRC-Taiwan Conflict

BK1203050096 Manila BUSINESS WORLD
in English 12 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Armed Forces of the Philippines (AFP) is prepared for an armed conflict between the People's Republic of China and Taiwan. In a press conference held in Camp Aguinaldo yesterday, AFP Chief Gen. Arturo Enrile said "We will not be caught with our pants down. The AFP will be ready."

He said a possible conflict may harm the Philippines since the country is the nearest nation to China and Taiwan. Military officials said the economy is likely to suffer if China attacks Taiwan, saying "Businessmen and multinational companies may be scared to invest in the Philippines especially if we are the nearest country to the war front." Despite the meager resources the AFP has to draw on, Mr. Enrile said the armed forces will do all it can to protect the people and the integrity of Philippine territory.

As this developed, Subic Bay Metropolitan Authority chairman Richard Gordon said the mounting tension may eventually warrant the introduction of flexibility in Philippine foreign policy and even the Constitution. Mr. Gordon said conflict between Mainland China and Taiwan will be enough to make policy and decision makers abandon the One-China Policy and the provision in the Constitution that forbids the docking or basing of vessels with nuclear weapons in RP [Republic of the Philippines] territory. "In the event of the (Mainland) Chinese taking over Taiwan violently ... (which) could extend to the Spratlys ... then we must be flexible," he said.

Philippines: Final Talks With Muslims in Indonesia Uncertain

BK1103030796 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 10 Mar 96

[FBIS Translated Text] Peace talks with the Muslim negotiating panel will not go ahead in Jakarta, Indonesia, if the mixed committee meetings between the government and the Muslim panels do not yield substantial results. According to outgoing Interior [Department] Undersecretary Alexander Aguirre, the final phase of the peace talks in Mindanao will not go ahead if talks in the Philippines do not yield fruitful results. Aguirre added that holding talks in Indonesia would just be a waste of money if the talks end in deadlock.

Thailand

Thai Government Aims To Certify Shrimp Exports to U.S.

BK1103072996 Bangkok BANGKOK POST in English 11 Mar 96 p 19

[Unattributed Report]

[FBIS Transcribed Text] The Fishery Department needs to become the exclusive agency to certify Thai shrimp being exported to the United States are farm-raised, according to director-general Plotprasop Suratsawatdi.

US officials have reacted to charges by environmental groups that some Thai shrimp are harvested at sea using methods that endanger sea turtles. In fact, 95% of Thai shrimp are farm-raised.

Certifying shrimp exports would not be difficult for the Fishery Department since it has records of all shrimp farms, which were required to register with the Government two years ago, said Mr Plotprasop. He hopes the department can begin issuing certificates next month.

A US court has moved to ban shrimp imports starting in May from 53 countries, including Thailand, because of poor environmental protection.

Thailand is the world's largest shrimp exporter.

Thai Defense Minister Reports on Meeting With U.S. Envoy

BK1203085796 Bangkok Radio Thailand Network in Thai 0530 GMT 12 Mar 96

[FBIS Translated Text] General Chawalit Yongchaiyut, deputy prime minister and minister of defense, granted an interview to reporters at the Government House today following his meeting with William H. Itoh, new ambassador of the United States to Thailand. Chawalit reported that the discussion with the U.S. envoy covered several issues, including the China-Taiwan situation and the United States' dispatch of the aircraft carrier USS Nimitz to Taiwan. He said that there should be no problems because this was only a matter of military exercises and preventive measures. Regarding criticism that the United States is interfering in the business of others, the Thai deputy prime minister said one should not think that way. He said the China-Taiwan issue should not affect the Thai prime minister's planned visit to China on 24 March.

The deputy prime minister added that the discussion with the U.S. ambassador also touched on the narcotics issue. In this regard, the United States expressed its satisfaction with the actions carried out by Thai authorities and is paying more attention to the amphetamine problem.

Thailand Plans To Open Consulate in PRC's Shanghai

BK1103062496 Bangkok BANGKOK POST in English 11 Mar 96 p 17, 18

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] Beijing — Thailand will open a new consulate in Shanghai late this year in order to help Thai businesses based in the booming Chinese coastal city, according to Sawanit Khongsiri, the Thai Ambassador to Beijing.

The official announcement about the office will be made during the March 24-29 visit to China by Prime Minister Banhan Sinlapa- acha.

The office will be the third Thai consulate [opened in] China after those in Kunming and Guangzhou. The Chinese government has lofty ambitions for Shanghai, with a plan to develop it as the biggest trade and financial centre in Asia.

Thai investors have made several large commitments in the Shanghai region, Mr Sawanit noted. He said the consulate would monitor economic development in the area and would provide information to Thai investors interested in ventures there.

Thailand will organise a seminar in May on the potential for joint investments in the two countries. Chinese panelists are expected to focus on the country's new economic plan, which will focus on shifting development from the booming coastal regions into the central and western parts of China.

China's ninth plan, for 1996-2000, will offer greater incentives to investors interested in more remote areas.

Consequently, said Mr Sawanit, Thai investors should look closely at opportunities in regions such as Yunnan.

He cited the example of Krung Thai Bank, which has a representative office in Kunming, the capital of Yunnan. Once the new plan takes effect, Krung Thai Bank will be able to upgrade the office to a full branch, which will help Thai investors there.

Thailand and China have signed an agreement on protection of investments in both countries as well as a double-taxation agreement. However, problems still exist because some Thai investors do not clearly understand the Chinese way of doing business, and the often confusing bureaucratic procedures involved.

China believes it can create what it calls a "socialist market economy with Chinese characteristics" by 2010. So investors should enter the country now if they don't want to be left behind, said Mr Sawanit.

He said the Thai Government should adopt measures to support investment abroad, especially in Asia. Such measures could include offers of capital at low interest rates, reduced levies or taxes on repatriation of income and profits.

Thailand should also try to revive the Thai-Chinese joint economic committee, which has been dormant since 1992, he said.

Deputy Prime Minister Amnuai Wirawan, who visited Beijing last week, also raised the issue of organising a new meeting of the committee.

Mr Sawanit said Thailand remained in a disadvantageous position in trade with China, because the Thai market is much more open to Chinese goods and services than China's is to Thailand.

Exports of Thai agricultural products still face high tariffs and strict sanitary regulations, and Thailand must push for the elimination of these barriers at bilateral, regional and international forums, he said.

Thai Foreign Minister on Effects of PRC Military Exercise

BK1203140796 Bangkok Radio Thailand Network in Thai 0530 GMT 12 Mar 96

[FBIS Translated Text] The current Chinese military exercise is not likely to create further tensions between China and Taiwan as the exercise and its perimeters were announced in advance to avoid danger. This was what Foreign Minister M.R. [Mom Ratchawong - royal title] Kasemsamoson Kasemsi said this morning to reporters at the Government House, as he expressed his belief that the situation would improve after the general elections in Taiwan on 23 March. He said he did not feel the situation would obstruct the Thai prime minister's visit to China.

[Begin recording] [Kasemsamoson] The side holding the military exercise must announce the site of its exercise so that others can avoid the exercise perimeters and any possible accidents.

[Unidentified reporter] Do you think the situation will become more tense than what was created by the military exercise itself, because the United States has ...

[Kasemsamoson interrupting] I do not know, but I feel that whatever action is taken by the Chinese is aimed at the 23 March election — whether Li Teng-hui will favor independence and secession. The election will be held on 23 March. Once 23 March passes there is no need for any antiquated action.

[Reporter] [words indistinct] So, there would not be a war.

[Kasemsamoson] The purpose of the action is aimed at the election. Once the election has past it is past.

[Second reporter] The Taiwanese people will react to the pressure that has been applied to them.

[Kasemsamoson, interrupting] The people have not reacted that strongly to pressure. What is surprising is that the Taiwan Government itself has said it does not think there will be a war.

[First reporter] What about the 150,000-odd Thais in Taiwan?

[Kasemsamoson] Everyone is concerned, not only for these 150,000 people, but the millions involved. U.S. aircraft carriers have arrived in the area. I do not know what they will do, but I do not think war could happen that easily. [end recording]

Thai Deputy Minister Defends Dredging of Moei Channel

BK1203053296 Bangkok THE NATION in English 12 Mar 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Deputy Foreign Minister Charat Phuachuai yesterday dismissed claims that Thailand is giving up territory by ordering the dredging of a channel in the Moei River in Tak province.

Charat called on Thais to have a better understanding of the issue and to adopt a fair attitude regarding it. He said a channel in the river had been filled in with soil by local villagers, connecting the riverbank with an islet in the channel.

Extending the river bank to the islet effectively made it part of Thailand, while under international law a river islet is no-man's-land.

Provincial authorities in Tak's Mae Sot district have begun removing the soil between the river bank and the former islet to restore the channel to its previous condition

The extension of the river bank to the islet drew strong protests from Burma, and resulted in the suspension of construction on the Thai-Burma Friendship Bridge and the closing of a border checkpoint in Tak province.

Rangoon called for the restoration of the river channel, and set it as a condition for the resumption of construction on the bridge and the reopening of the checkpoint.

Thailand's recent decision to agree to Burma's demand to restore the river channel received strong criticism from local villagers. Leaflets have been distributed in the province accusing the Thai government of bowing to Burmese pressure and agreeing to give up territory to Burma.

About 30 rai [approximately 12 acres] of land will have to be dredged — an area about one kilometre long, eight metres wide and one metre deep.

"Thais should be fair in thinking about the issue, since what Thai authorities are doing is restoring the river to its original condition.

Burma has the right to ask for this, as it is calling for the return of the river to its original condition," Charat said. "Those who criticize the action don't understand it."

The action shows the Thai government's sincerity about solving the dispute which affects bilateral relations, the newly appointed deputy foreign minister said.

He added the move should help improve relations between the two neighbours, particularly in light of Prime Minister Banhan Sinlapa- acha's scheduled visit to Rangoon next week.

Thailand's Amnuai: Country Backs Burmese Economic Development

BK1203062896 Bangkok THAILAND TIMES in English 12 Mar 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok: Deputy Prime Minister Amnuai Wirawan yesterday said he hopes to see neighboring Burma become Thailand's economic equal

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"We would like to see the two countries smoothly cooperate in many aspects and to see Burma's economy grow rapidly," said Amnuai, after meeting with Prime Minister Banhan Sinlapa-acha to discuss the premier's trip to Rangoon.

Banhan will be in Rangoon on Sunday and Monday to discuss economic cooperation between the two countries with key figures of the State Law and Order Restoration and Council (SLORC).

Amnuai and Defense Minister Chawalit Yongchaiyut and other senior officials will accompany the premier.

Amnuai said the premier's trip to Rangoon will be the first visit by a Thai prime minister since Prem Tinsulanon visited the country 16 years ago. The premier and his colleagues will visit Thai and foreign private sector projects including the Yadana gas field and Mandalay Airport, Burma's second international air transport facility.

Banhan said the reopening of three main border checkpoints and fisheries disputes will be among the topics discussed.

Burma has promised to reopen the checkpoints at Ranong-Kawthaung, Mae Sot-Myawaddy, and Mai Sai-Tachilek before the premier's trip. They were closed last year as a result of a series of disputes between the two countries.

The Burmese government suspended construction of the Friendship Bridge in reaction to Thailand's building of a causeway between the Thai side of the border and an islet in the Moei River. The act was seen as an encroachment on Burmese territory.

The Thai government last week had the causeway removed in response to Burmese demands.

Banhan said his trip would add a new and cooperative dimension to the relationship between the two countries.

The premier's trip is expected to result in the legalization of cross-border trade, which is currently conducted mainly by Thai businessmen and guerrilla groups opposed to the Burmese junta.

Thailand: Australia's CRA Sees Growing Demand for Coal

BK1103075696 Bangkok BUSINESS DAY in English 11 Mar 96 p 1

[Report by Andrew Coachran]

[FBIS Transcribed Text] Australian mining giant CRA expects Thai coal imports to grow rapidly over the next five years to fuel surging demand for power, and is optimistic about its chances in the second phase of the Independent Power Producer (IPP) project.

Thailand's voracious energy appetite is growing faster than expected, according to the Electricity Generating Authority of Thailand (Egat), and adequate natural gas fuel supplies to sustain such growth are not yet guaranteed.

Both CRA and its rival, Broken Hill Proprietary (BHP), believe the country will have to turn to imported coal in order to meet rising demand and diversify its fuel supplies.

Australian coal exports are forecast to earn A$8.2 billion (US$6 billion) for the year to June 30.

Egat is currently negotiating with the first phase bidders in the IPP program, which will utilize gas, and the short list of the second phase bidders is expected in the coming months. Imported coal is expected to be popular as an alternative fuel source as it is cheaper than liquefied natural gas.

One prominent bidder in the second IPP phase is a consortium PLBC which includes both Thailand's Banpu and CRA, Australia's largest coal producer. They are planning a 1,400 megawatt (MW) power station that would burn imported coal.

The other partners are Loxley and Powergen of Britain. The consortium intends to use CRA's coal from Australia to fuel their project.

"Australia's seaborne thermal coal trade to Asia is projected to increase almost 50 percent above the 1995-96 level in 2000-2001," said Dr Roger Stuart, manager of the Energy Economics branch of the Australian Bureau of Agriculture and Resource Economics in an interview with BUSINESS DAY.

"The developing countries of our region are driving some big changes in the coal market in the longer term," he added.

CRA Group Executive Dr David Klingner, said he sees an increase in the numbers of private power producers in Asia turning to coal. CRA believes private investment is changing the nature of the coal industry.

Thailand's IPP scheme is a prime example of private investment in the Asian energy sector.

The country's economy continues to expand, driving up energy demands, and Egat has repeatedly expressed concern over adequate gas supplies to fuel future IPP projects.

One drawback to large scale coal imports is the lack of infrastructure in Thailand. The PLBC consortium has included the development of a coal off-loading and delivery mechanism in its bid. PLBC maintains that its project will remain competitive with gas- fired projects which do not require such an investment.

A marked strength to this argument is the vast coal supply possessed by one of its shareholders, CRA. In order to fuel the proposed 1,400 MW plant it is estimated that between 3.5-3.7 million tonnes of coal would be burned annually.

The current price estimations for Australian coal would be 1,000 baht per ton free on board (FOB).

Shipping and insurance would add another 200-250 baht per tonne.

Coal burning power stations in Thailand have not enjoyed a good reputation, mainly because of the poor quality of indigenous coal and the pollutants it produces when burnt. Egat says that in its bid tenders it has set strict requirements on the pollution aspect that match international standards.

This is another possible reason for companies to offer imported coal as a fuel source. Thailand's indigenous coal is high-sulphur brown coal which does not burn very cleanly and is environmentally unsound. The nearest and largest supply of low sulphur black coal is Australia or Indonesia.

CRA is the largest miner of low sulphur black coal in both countries.

Australia's coal reserves are proven beyond Thailand's gas reserves in excess of 20-30 years. Upon depletion of indigenous gas reserves the country may need to look to imported liquefied natural gas (LNG) to fuel its gas-fired power stations. There is not an LNG receiving infrastructure yet in Thailand and the development of one has not been included in the bids for the first IPP phase.

A proposed LNG terminal on the Eastern Seaboard would require a minimum investment of 25 billion baht.

Most of the bidders considered in with a chance of gaining approval for phase one of the IPP program have fuel suppliers as shareholders.

Banpu's first phase bid was on the top of the list and they boast Unocal as an equity holder in their project.

Thai Columnist Notes Outcome of Bangkok's ASEM

BK1103062596 Bangkok THE NATION in English 11 Mar 96 p A4

[Article by Panya Chanwirot: "Towards the Millennium — Clock Ticks for ASEAN, Europe"]

[FBIS Transcribed Text] It was a modest, perhaps a too modest, beginning for the first Asia-Europe leaders' summit in Bangkok 10 days ago. The occasion appeared to have overwhelmed even the two economic superpowers in attendance — Japan and Germany — despite separate hints that they were prepared to lead the pack.

From the other side of the Pacific Ocean, the Americans must be beaming with delight that the Asia-Pacific Economic Cooperation (APEC) will forge ahead without interruption, at least for the time being.

Perhaps in another six months, the world economic equation may change. But there was certainly little that came about during the 48-hour meeting in Bangkok among 25 Asian and European leaders to suggest that a sea change is at hand.

Thailand did just enough by accepting responsibility to work on an investment action plan between the European Union and Asia. The eventual agreement will require strong support for Japan from Asia and for Germany from Europe.

If APEC became a force because the Uruguay Round was on the brink of collapse, the ASEM [Asia-Europe Meeting] was, for Asians, a piece of "constructive engagement" to counter America's domination in Asia and the Pacific. For ASEAN and Asia, the final goal is to make the World Trade Organization a representative arbiter of world trade and investment rules.

For Asians, fair and free trade can only be achieved under a multilateral agreement and not from the bilateral knocks on the head delivered as a result of anti-dumping and quota allegations made by "Fortress European, or under Super 301 by Mickey Kantor, the Trade Representative for the now undisputed sole superpower.

Somewhat overshadowed by the sheer number of participants and "star" performances by Portugal and France, the policy statements on world trade matters from Japan and Germany need much more scrutiny. Neither country was obsessed with their own backyard issues.

Germany Chancellor Helmut Kohl stated his wish to see ASEM becoming more structured along the lines of APEC. At the same time, Japanese Prime Minister Ryutaro Hashimoto proposed that the EU matches the tariff cut schedules proposed by APEC members. The Japanese call echoed an earlier Thai proposal that ASEM should work towards meeting the APEC's tariff timetables.

It was, therefore, disappointing to see the Thai proposal, discussed among the Asian officials at a prior meeting in Chiang Rai, watered down to just an "investment action" plan subject to a six-month study, and to see the German and Japanese parallel proposals go astray.

This is mostly a reflection of other EU members' unreadiness to act collectively, even when the collective interest clearly prevails.

Furthermore, the issue of capital flows — partly to finance the U.S. $1 trillion infrastructure needs of Asia — was not discussed seriously.

Had these issues of common interest been addressed, they would have made ASEM a world economic force that could arguably have led to a more optimistic outcome for the WTO.

Thus, the global economic race remains a game of catch-up for the Europeans for several reasons. The Bangkok ASEM might have broadened the relationship between Asia and Europe but it did not deepen it — something which APEC under American and Japanese leadership has already achieved. The APEC leaders meet annually but the next ASEM meeting will not be until 1998 in London. The APEC finance ministers are also meeting regularly but the agenda for the ASEM finance ministers has yet to be announced.

With regard to how ASEM served the interests of ASEAN countries, Indonesia was probably happy that East Timor was left out off the agenda because it met bilaterally with Portugal.

Malaysia seems to have further consolidated its role as the coordinator for developing the Mekong region — an assignment it won for itself at the ASEAN summit in Bangkok last year.

Under ASEM, Malaysia will work with the French on planning an Asian railway network.

Singapore quietly worked behind the scenes to smooth the way for its hosting of the WTO meeting later this year. It will work closely with Thailand on the investment action plan. It has won friendship from the EU as the initiator of ASEM and as a guardian of the "open regionalism" commitment under ASEAN and APEC.

But as far as the collective bargaining power of ASEAN in the face of growing demands for liberalization from the economic powers is concerned, it appears to have changed little as a result of ASEM.

The ASEAN Free Trade Area, a visionary vehicle designed to lure more investment into the region, was barely mentioned.

Perhaps it was all asking too much from the historic first meeting between Asian and European leaders.

Perhaps it was already being ambitious to wish only that the meeting should go smoothly and that everyone departed pleased with how hospitable the Thais are. Enough, just to expect that the world would get to know Thailand better as a result of ASEM and that the prime minister could step upon a world podium and show his eagerness to be the leader of leaders. As host, Thailand will have to wait a little longer before it finds out whether trade and investment benefits will come our way.

Thai Editorial on Possibility of ASEM Free Trade Area

BK1303055096 Bangkok THAILAND TIMES in English 13 Mar 96 p A4

[Editorial Report: "Will ASEM Lead to Another APEC?"]

[FBIS Transcribed Text] Will ASEM like APEC become a free trade area sometime in the future. Will it be free from the NAFTA [North Atlantic Free Trade]-American dictation? If the United States and the nature of US political, economic, plutocratic methods of using the "carrot and stick" on Asian countries, are any indication of the future trend on free trade, then we in Asia have to take serious and comprehensive view of every future US and EU move in the Asia- Pacific regions.

The first overseas visit of Japanese Prime Minister Ryutaro Hashimoto to the US to meet President Clinton, and cool a dispute and threat of sanction over intellectual property protection and copyright laws, a week before the Asia-Europe Meeting in Bangkok is not coincidental but a deliberate call to Japan to "draw the line between what is acceptable and not acceptable" for the US in regional trade strategic interest and cooperation.

It is not surprising the issues discussed with each of the two major trading partners, in typical American diplomatic methods did clip the wings of Japan at the ASEM. For instance, the trend followed by the Europeans were typical of the American method of more emphasis on bilateral than multi-lateral. Talking separately to weaken and create differences within individual ASEAN countries than on a collective Asian stand which would mean speaking from a position of strength. Ironically, Asian nations were divided and each for themselves and none for all.

Like the Asia Pacific Economic Cooperation (APEC) meetings, the ASEM too had the stamp of US intervention through Japan as their watchdog. Not one issue was dealt collectively as a group to demonstrate Asian unity.

Like in APEC issues unrelated to free trade such as: human rights, labor and environment topics outside that of GATT (General Agreement on Trade and Tariff) was force-fed for Western economic survival. It had created differences within ASEAN not only under the APEC umbrella but deeper rifts crystallized during ASEM.

Although APEC was not created to become a free trade area, America which forced its way into the forum escalated its pace and set up its sights on a 2020 free trade zone. Not surprisingly, the US chose Indonesia — which had been in the good books of the Pentagon since the overthrow of Dr. Sukarno, the father of the Indonesian Nation — to give leverage to the American notion put through the Eminent Persons Group a private think tank, creating uneasiness and lack of a consensus within ASEAN members.

The union of APEC already includes the NAFTA, AFTA [ASEAN Free Trade Area], PECC and Australia-New Zealand trading arrangements. It groups countries within the Asia Pacific region and was created as a forum for discussing economic issues that concern the region and aspirations of its people. Acting as a organ which collects and disseminates information, APEC, was first expected to serve more as a consultative body than a trading post. It was thought its functions will most effectively provide a regional forum for culturally and ethnically heterogeneous countries and members of different free trade areas.

APEC assures and believes that it can attain mutual and mutually beneficial understanding on economic issues, and would become a entity against the formation of protectionist fortresses within the APEC member region.

Whether the powerful member economies of APEC, would be willing to the views put forward by the Asia Pacific community in negotiations with other groups such as the European Union or in the aftermath of GATT and talks outside the agreement is currently open to argument and a question yet to be answered. But how effectively it will be able to accomplish this role will ultimately depend on the circumstances and credibility of the forum. And of course, the commitment and the comprehensive outlook of the many governments involved with APEC.

East Asian giants within the group such as Japan, South Korea and Taiwan are large investors in other member countries particularly in ASEAN but are also known for not being independent to make their own decisions without the US nod.

Thereby the strategy of lessening the potential to become an executive economic entity, and the idea of APEC becoming a free trade area was planted with American influence guided by the Australia-New Zealand combine.

The formation of the free trade areas has given rise to concerns over whether protectionist forces will win the day. Yet the greater successful inter-dependence amongst countries in the global economic and trade environment implies that protectionist fortresses can be self-defeating. "Free trade areas" can become bridges to "fair trade," but not necessarily "free trade," and trade liberalization.

If governments use the global trading arena to negotiate their national interests alone like at the ASEM, and the ability to keep competition at acceptable levels, it offers politicians a unique solution to ward off impending economic eclipses. It is in this myopic framework that free trade areas hope to achieve political acceptance like in APEC and now within ASEM.

The challenge for the smaller trading regions will be to seek ways in which the discriminatory trade policies of their major trading partners can be overcome. ASEM failed to reach a commitment on that goal. As long as these trading imbalances exist in the global trading arena, it is difficult to perceive trade areas and economic cooperation between regions as bridges of free trade.

The likelihood is that regional groupings of all shades will trade amongst themselves APEC or otherwise and gradually Asia-Europe or within themselves or build into trade blocs. Hopefully, by then politicians, economists and industrialist will rediscover the benefits of "old time" international trade as the best process to free trade.

Thai Defense Officer Stresses Need for Military Satellite

BK1103051696 Bangkok BANGKOK POST in English 11 Mar 96 p 6

[Unattributed report]

[FBIS Transcribed Text] The 26-billion-baht military satellite project is the only way the Armed Forces can solve their communications problems and enhance national security, the Defence Ministry said yesterday.

The "Star of Siam" would eliminate the lack of communication between military units, particularly in remote areas, said AM [air Marshal] Wira Kanhasiri, director of the Defence Technology and Telecommunications Centre supervising the project.

"Satellites would allow the Armed Forces and other security units operating in remote areas to communicate with each other," he said.

"We wouldn't want satellites if we didn't need a system that could resolve these problems."

AM Wira said the Armed Forces had been trying to resolve these problems and had concluded that a military satellite system was the only effective answer.

"Star of Siam" will comprise two satellites, two master control stations and a comprehensive suite of fixed and mobile user ground terminals. Each satellite will have a service life of 12 years.

The first would be launched in 2000 and the second three years later, making the full service life of the project last until 2015.

The system has two communications frequency bands — X-band and KU-band. The first is reserved for military use, while the second can be available for commercial use.

The satellites can cover not only Thailand but the ASEAN region and one-third of the Earth's surface.

"Conducting joint battle operations between the three Armed Forces, one needs to have the same communication system that must be totally reliable.

"In wartime, it is essential to minimise mistakes in pinpointing enemy targets," said AM Wira.

The satellite could swiftly provide accurate information on target areas with hostile activities reported to ground locations equipped with mobile terminals, he said.

The project was initiated while Defence Minister Gen Chawalit Yongchaiyut was supreme commander in 1989, he said.

"The military satellites would be the major communication system for national defence," said AM Wira.

Deputy Prime Minister Thaksin Chinnawat on Friday questioned the need for the system, saying it may not be worth the investment.

He said the third ThaiCom satellite, which his Chinnawat Satellite Co plans to launch, only costs four billion baht.

The Phalang Tham leader said the country might not be able to afford "Star of Siam" and the Government should be wary about spending so much because it would put budgetary constraints on other projects.

AM Wira admitted the project will cost a huge sum but said the Armed Forces will not only share the burden in launching the satellites but will meet the expense in building two master control stations including a number of fixed and mobile ground terminals.

"Thirty-five per cent of the total cost would be for the satellites, their launch and related expenses.

"The other 60 per cent would be for the construction of ground stations and other mobile ground terminals," AM Wira said.

"The project is expensive because the Armed Forces will have to pay for the whole system which is quite different from private companies launching their own civilian satellites as they would not have to pay for the construction of ground stations," he said.

Hundreds of millions of baht had to be spent annually to modernise the armed forces' outdated communications system, he said.

And within the next 10 years if nothing is done to remedy the situation the payments would certainly exceed the 26 billion baht being sought for the satellite project.

"It seems to be a lot of money but it's worth the price as the Armed Forces would have the same standard communications system," AM Wira insisted.

However, he said once the satellites are launched, other government agencies could also make use of the system.

Asked why the armed forces did not rent ThaiCom satellites instead of launching its own, AM Wira said conditions proposed by ThaiCom had set many obstacles and would cause more problems.

"ThaiCom is a private-owned company whose main motivation is profit. Users have to follow all rules and guidelines set by the International Telecommunications Union which, in some aspects, poses difficulties for military use.

"ThaiCom could not be held responsible in case of strike or riots.

"We need a system that could be totally reliable in all circumstances and used during a national crisis," said AM Wira.

Renting civilian satellites for military use is not a good idea though it would save money.

During the 1991 Gulf War, the United States government could not use civilian satellites for military purposes as news agencies had booked all satellite time with higher rental fees, he said.

"We have to be careful about this as our main priority is not profit but national security," said AM Wira.

Thailand: Military Satellite Project Controversy Reported

BK1203051096 Bangkok THE NATION in English 12 Mar 96 p B2

[Report by Yingyot Manchuwisit]

[FBIS Transcribed Text] General Chawalit Yongchaiyut, an imaginative man, has so many brand new ideas. But the proposed military satellite is not a new brainchild of the defence minister. The "Star of Siam" satellite project took shape a year ago when the British government lent support to Thailand through satellite technology companies British Aerospace and Matra Marconi.

A taskforce unit, the Defense Technology and Telecommunication Center, was assigned to plan the project. It is only recently that the centre has come out to reveal details of "Star of Siam" in an attempt to create transparency in the huge investment scheme.

According to a centre official, this is because among the Armed Forces, not all are enthusiastic about spending Bt [baht] 26 billion on at least two satellites and a ground control station.

We know this project is sensitive and vulnerable to attacks by either the military or outsiders. The Armed Forces are in some harmony, but there are many dissidents," said the official.

According to plans for "Star of Siam," the entire cost of Bt26 billion will be spread over the next 10 years and will cover all expenses including the necessary staff.

Chawalit himself has also accepted the project is somewhat costly, but insists the satellites are a must for "national security" in preparation for the upcoming "electronic warfare". In future, countries will not battle each other physically, but will use eyes in the sky to spy on enemies and strike with radio signals, said the official.

It is unclear what other ideas Gen Chawalit has behind the satellite plan.

In the past five years the public has seen many lucrative telecom projects become first class vehicles for political financing or influence. To promote the project, the creative defence minister may find himself under more pressure as he is the leader of the New Aspiration Party and the supervisor of an telecom affairs under the Transport and Communications Ministry.

Last weekend, Chawalit's "Star of Siam" came under attack from one of the most powerful members of the government. Saying the project's cost was too high and would be unfair to taxpayers, Deputy Prime Minister Thaksin Chinnawat surprised many, not by making such direct criticism, but because Thaksin launched the criticism despite having declared he would not involve himself in communications affairs to avoid conflicts of interest and to prove his good intentions in politics.

What made the former chairman of Chinnawat Group eat his words?

Thaksin did not take a defensive position when explaining his criticism. He pointed out his Chinnawat Satellite Plc, which holds a monopoly on Thai satellite services until 1999, will not be much affected. Perhaps it will lose some military clients if "Star of Siam" is launched.

In fact, Thaksin learnt some time ago of Gen Chawalit's plans to launch the satellite. It was last year that the Defence Ministry first contacted Chinnawat Satellite to see if its Thaicom satellites could meet military requirements. No deal was settled, but Thaksin, who was already sitting in the Cabinet, instructed his Chinnawat people not to make any comment.

Gen Chawalit is the last man Thaksin should be at war with in this government. With his present influential role in all communications affairs, Chawalit is not a person that telecom firms, including Chinnawat Group, should turn their backs on. The de facto communications minister is known to welcome meetings with all telecom companies even though only some of them appear his favourites. Chinnawat has proven it is not on Chawalit's list.

Since the Banhan government came to power, Thaksin's firm Chinnawat has not been in an advantageous position when it comes to sharing benefits among other telecom giants, particularly Charoen Phokkhaphan's TelecomAsia Corp Plc. Thaksin is not to blame for taking up the Cabinet seat which forces him under greater public scrutiny, thus putting his firm Chinnawat at a disadvantage.

Asked what is the greatest fear faced by Chinnawat at the moment, there is only one answer — the threat from TelecomAsia which is moving to enter the mobile phone business by using a new technology that is cheaper and faster for expansion than Chinnawat's Cellular 900 system.

Though the new technology, called Personal Handyphone System, is limited in mobility, it is threatening enough for Chinnawat to ask for a deal. Chinnawat might not have been so concerned except Gen Chawalit has declared full support for TelecomAsia adopting the new technology to develop its fixed-line service "for the benefit of the people".

Thaksin's attack on "Star of Siam" may be just a diversion — or it might turn out to become the tip of an iceberg. The new wireless technology is not just a minor headache for Thaksin after all. The votes of Phalang Tham Party or its ultimate withdrawal might be of help.

Thailand: Chawalit Defends Military Satellite Project

BK1203051296 Bangkok BANGKOK POST in English 12 Mar 96 pp 1, 6

[Unattributed report]

[FBIS Transcribed Text] The military satellite project should be implemented because it is government policy, Defence Minister Chawalit Yongchaiyut said yesterday.

Gen Chawalit said initial cabinet approval was needed soon so studies could be undertaken into the specifications required for the "Star of Siam."

"There should be no problem," said Gen Chawalit, who initiated the project in 1989 as supreme commander. "The Government will give approval as it is policy.

"Anything which is policy should be implemented and this is clearly mentioned as Transport and Communications Ministry policy. How can we not implement it?"

Gen Chawalit, who leads the New Aspiration Party, also tried to play down reports of conflicts among coalition partners over the project.

Responding to fellow deputy prime minister Thaksin Chinnawat's remark that the Government should think hard before spending taxpayers' money on the project, Gen Chawalit said one should not ignore differing opinions.

There was little point discussing the issue with the Phalang Tham leader because no one really knew the details of the project.

When he became defence minister, the Ministry had already conducted detailed studies, he said, and he had urged his staff to summarise the project so it could be put the Cabinet.

Cabinet approval would also be sought after officials finished the second-stage study and bidding would be called for the final stage in an open contest.

Declining to put a figure on the total outlay, he denied the project would cost 26 billion baht and suggested it could be below one billion baht if the private sector invested in it.

Under the initial plan, the "Star of Siam" system, to be launched in 2000, would comprise three satellites, one of them a reserve.

The project would not strain the national budget and could even save money, he said, because the present communications system needed a lot of manpower and more money had to be spent to modernise and repair it.

Commercial satellites could not suit military needs as they used only the KU-band frequency while the military satellite could provide the X-band frequency for military use.

Gen Chawalit also denied a military satellite would be rented for commercial purposes.

The Ministry was also considering proposing the formation of a national space agency to the Cabinet to pave the way for further development.

Thai Daily Opposes Military Satellite Communications Project

BK1103052896 Bangkok BUSINESS DAY in English 11 Mar 96 p 4

[Editorial: "Extravagant Satellite Scheme Should Not Get Off Ground"]

[FBIS Transcribed Text] Even when the national coffers are a bit low, it is frequently necessary for governments to spend money on projects that to some may seem low on the priority list of pressing needs. In broad terms major infrastructural programs, national development projects aimed at boosting long-term economic growth potential, relief of poverty and adequate military defenses are clearly among the areas that require constant expenditure though they may show no immediate gain to the country.

In virtually all countries there are political groups who question unceasingly the way that governments spend huge portions of the national budget on defense. Yet only fringe elements of politics, like anarchists, ever seriously challenge the principle that it is a primary duty of all governments to make suitable provision for the protection and freedom of their national boundaries and their populations. It is therefore perfectly right and proper for the military and the Ministry of Defense to have examined closely to what extent defense communications need to be upgraded and improved to ask government for backing to fill an obvious hole in Thailand's defenses is more than a right, it is their duty; just as it would be the duty of government to find the funds needed even if it meant mortgaging parliament building.

For them to launch into asking for tenders to supply a satellite that might set the country back by 26 billion baht without yet having made anything close to a reasoned case for such a satellite being necessary smacks of a level of hubris that cannot be accepted in any country professing even a rudimentary democratic system. It is wrong in principle, most unsuitably timed and financially reckless.

It is not simply that 26 billion baht looks on the high side given that Chinnawat reckons its own satellite will cost only four billion baht. Nor is spending 26 billion baht with foreign concerns particularly frightening given that the current account deficit is running at something between 300 and 400 billion a year, particularly as the cost is likely to be spread over the first ten years of the satellite's life. The greatest indecency in the proposal is that it has not been shown to be needed other than to add to the glory of the military and the Minister of Defense. Though 2.6 billion baht a year over the next ten years is not these days a huge amount it would be a welcome addition nevertheless to funds for rural industrial development, for slum clearance and rebuilding, for the construction of flood prevention canals, for education, for poverty relief: the list is endless.

It is not unusual for military groups to spend money like drunken sailors on shore leave. In the case of Thailand at this moment in time such expenditure is totally abhorrent. Politically this may not be the ideal time for the rest of the government to challenge the increasingly dictatorial approach of the Minister of Defense; if they fail to do so by throwing out the proposal the whole of cabinet will be tarred with the same brush.

Thailand's Amnuai: Nation Not Yet Ready for Full Investment

BK1103062096 Bangkok BANGKOK POST in English 11 Mar 96 p 17

[Report by Chatrudi Thepharat]

[FBIS Transcribed Text] Thailand disagrees with the European Union's proposal to fully liberalise investment here, but it will proceed with a draft framework to promote investment between the two continents, according to Deputy Prime Minister Amnuai Wirawan.

The Asia-Europe Investment Promotion Action Plan was proposed by Prime Minister Banhan Sinlapa-acha during the Asia-Europe Meeting earlier this month in Bangkok. It arose in response to concern that European investment in Asia lagged behind investment from the United States and Japan.

The action plan will identify opportunities and obstacles to investment between Asian and EU countries. A draft is to be completed within six months.

Dr Amnuai argued that each country has a different framework for foreign investment, with different levels of openness depending on a country's stage of development. Thus, any Asia-Europe framework will be limited to broad areas regarding investment, product standards, trans-border issues such as visas, work permits and information support.

The EU has proposed a multilateral industrial investment code, which relates to the investment framework of the Organisation for Economic Cooperation and Development [OECD] — the club of rich nations. That elicited only lukewarm response from Asian leaders at the Bangkok Summit.

The OECD framework sets no limits on those who invest in other member countries. Thailand and other Asian countries are not yet ready to subscribe to such an idea, said Dr Amnuai.

"It might take at least 50 years for all member countries to be ready to adopt such a framework," he said. The EU is now lobbying for a committee to be set up under the World Trade Organisation, to study a multilateral investment code.

The WTO's framework is not as liberal as the OECD's. But the WTO does have a declared goal of gradually eliminating limits on foreign investment.

Currently, foreign investors in Thailand can hold only 25 percent of the equity in finance firms and 49 percent in securities firms. In addition, the Alien Business Law reserves certain activities exclusively for Thais.

The Government is amending these rules to accommodate more foreign investment. And the Board of Investment will continue its foreign investment promotion under WTO rules. For example, privileges could be granted to those who invest in remote or poverty-prone provinces.

The Board of Investment expects to complete a draft investment promotion plan by July, for discussion at the Asia-Europe Business forum in November in France.

Prayun Thaloengsi, executive director of the Board of Trade, said the drafting should focus on facilitating trade between the two regions, especially with regard to product standards — a significant problem between the two regions.

Thailand needs technology transfer from European nations more than other Asian countries that have invested here such as Japan, South Korea and Taiwan.

Thailand also needs European investment in infrastructure such as roads, electricity, telecommunications, and in small and medium-sized industries, he said.

Thailand: Budget Sought for Investment in Farm Sector

BK1203062596 Bangkok THE NATION in English 12 Mar 96 p B3

[Report by Atchara Phongwutthitham and Aphisak Thanasetthakon]

[FBIS Transcribed Text] The Ministry of Agriculture and Cooperatives is proposing a Bt[baht]382 billion investment plan to the Cabinet. The money will be used to boost Thailand's commodities and food products' competitiveness in the next century.

Pitiphong Phungbun Na Ayutthaya, director of the Office of Agricultural Economics, told THE NATION that this was the first time the Ministry had developed an investment budget. The budget is part of the Eighth Agricultural Development Plan. If approved by the Cabinet, it will be included in the Eighth National Economic and Social Development Plan for Thailand (1996-2000).

The Eighth Agriculture Development Plan aims not only to boost the competitiveness of Thai farm products internationally, but also to ensure sustainable agricultural development and develop workers in the farm sector.

About Bt117 billion will be specifically used to improve Thailand's competitiveness in international markets. This includes adjusting the structures of the agriculture sector and production systems, increasing production efficiency and reducing investment costs.

The money will also be used to clearly designate public and private sectors in the country's agricultural development, he added.

Another Bt196.8 billion will be spent on conservation of natural resources and sustainable agricultural development. The budget will concentrate on promoting environmentally friendly farming and production.

The remaining Bt67.7 billion will then be spent on developing agricultural institutions and farm workers. It will focus on establishing a management information system and agriculture information dissemination systems.

The money will also be used to improve the skills of women, youth and the aged in the agricultural sector.

Pitiphong said the agriculture investment plan came after several discussion sessions with local authorities, farmers, non-government organizations, academics and researchers.

The plan, he said, is designed on the basis of the agreement for the farm sector under the World Trade

Organization, which actively promotes cutting farm subsidies among its members. Pitiphong said this is to ensure that Thailand's future farm practices won't run against the WTO rules and that the country is fairly treated internationally.

He said Thailand has the potential to become the largest exporter of food and processed food products in the world.

Vietnam

SRV: Do Muoi Receives U.S. Presidential Delegation

BK1203161996 Hanoi VNA in English
1558 GMT 12 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 12 — Communist Party General Secretary Do Muoi received in Hanoi this afternoon a US presidential delegation jointly led by Mr Hershel Gober, deputy secretary of the Department of Veterans Affairs, Kent Wiedemann, deputy assistant secretary of state [title as received], and James Wold, deputy assistant secretary of defence.

The delegation also included representatives of the National Security Council and senior officials from the Department of State, the Department of Defence and representatives of the five largest veterans organisations in the United States and the Union of American MIAs Families.

Mr Hershel Gober conveyed regards from US President Bill Clinton to the Vietnamese party leader and expressed his satisfaction at his useful meetings with Prime Minister Vo Van Kiet, Foreign Minister Nguyen Manh Cam, Deputy Foreign Minister Le Mai and senior officials from concerned ministries and offices during his stay in Vietnam. Mr Gober also conveyed thanks from President Clinton and the American people to the government and people of Vietnam for their joint efforts in the settlement of the MIA issue.

Party leader Do Muoi welcomed the presidential delegation to Vietnam, the first since the two countries normalized relations in July 1995. He underlined Vietnam's viewpoint which regard the MIA issue as a humanitarian issue. He said that sympathized with the US Government, veterans organisations and all MIA families in the United States, Vietnam has done and will do all it can to help acelerate the settlement of this issue.

Mr Do Muoi recalled that prior to the normalisation of Vietnam-US relations, Vietnam had actively worked together with the US side for the settlement of the Americans Missing in Action in Vietnam. Now, the two countries have already normalised their bilateral ties, Vietnam will continue its cooperation in the settlement of the issue.

Mr Do Muoi also drew the US side's attention to not a few of Vietnamese MIAs. He said that the Vietnamese party and government have instructed the local authorities at all levels to exert more efforts to search for Vietnamese Missing In Action during the war, and at the same time, to help American MIAs families to find out their relatives still listed as Missing In Action in Vietnam. However, he said, since the MIA issue needs time and funds, Vietnam hopes to receive assistance from the US Government in the search for Vietnamese MIAs.

The Vietnamese leader also recalled losses and sufferings of the Vietnamese people during the war, especially the land and people affected by Agent Orange. He said he hoped that both sides will promote their cooperation to settle all humanitarian issues left behind by the war.

'More than anyone else, the Vietnamese people have the only desire to live in peace to build the country and take care of every person and every family, thus contributing to stability and peace in the region and the world at large,' Mr Do Muoi said.

He asked the delegation to convey his regards to President Clinton. The US presidential delegation arrived here on Monday. It called on Prime Minister Vo Van Kiet, and met with Foreign Minister Nguyen Manh Cam, Defence Deputy Minister Nguyen Thoi Binh, and Vice President of the Vietnam War Veterans Association Nguyen Trong vinh.

The delegation held talks with a delegation of representatives from the ministries of foreign affairs, defence and interior and labours, war invalids and social affairs led by Deputy Foreign Minister Le Mai.

During the talks, guests and hosts spoke of significant progress in the US-Vietnam relations, especially since July 1995, when they normalized their relations and promoted bilateral coordination to settle humanitarian issues as well as cooperation in the economic and diplomatic fields. They noted with satisfaction that the cooperation between the two countries in the settlement of the issues left behind by war continued promoting. [sentence as received]

The American side appreciated the Vietnamese Goverment and people's cooperation in settling the MIA issues and wished that further cooperation would continue in the future.

The US delegation will leave here on March 13.

SRV: U.S. Delegation Hails Cooperation on MIA Issue

BK1203142496 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Mar 96

[Unattributed report on news conference in Hanoi on 12 March by the U.S. Presidential Delegation]

[FBIS Translated Text] For the first time since the United States and Vietnam normalized diplomatic relations, a delegation representing U.S. President Bill Clinton with officials from U.S. Departments of Defense, State, and Veterans Affairs paid a working visit to Vietnam. The delegation was led by Mr. Hershel Gober, deputy secretary of Veterans Affairs; Mr. James Wold, assistant secretary of Veterans Affairs; and Mr. Kent Wiedemann, assistance secretary of State.

During the visit, the delegation held working sessions with agencies relating to the issue of American servicemen missing in action in the Vietnam War. The delegation was warmly received by Party General Secretary Do Muoi and Prime Minister Vo Van Kiet.

Before ending the visit to Vietnam today and leaving for Laos and Cambodia, the delegation held an international news conference in Hanoi to announce the results of its visit to Hanoi over the last two days. A large number of correspondents from international and Vietnamese news agencies, press, radio and television stations attended the news conference.

Regarding Vietnam's cooperation in the settlement of the issues relating to the American MIA's in the Vietnam War, Mr. Gober said:

[Begin Gober recording in English fading into Vietnamese translation] The Government of Vietnam has demonstrated and sustained its willingness to cooperate in the U.S. remains recovery operations. The continuance of the cooperation in this humanitarian program is very significant. We see that this assistance from the Vietnamese Government in most of the common activities will heighten the effectiveness of the searches. We hope to receive more information and documents from the Vietnamese side to further accelerate the searches for the POW/MIA cases in Vietnam [end recording].

Members of the delegation then answered many questions raised by Vietnamese and foreign newsmen on the POW/MIA issue. Mr. Gober revealed:

[Begin Gober recording in English fading into Vietnamese translation] As I said earlier, the Vietnamese are cooperating with us. In one of our earlier visits, we asked the Vietnamese ministries of National Defense and Interior to provide us with documents, and in the working visit in 1995, we received the documents we asked for. The document helped us a lot [end recording].

Answering the question whether the normalization of U.S.- Vietnamese relations has been helpful to the settlement of POW/MIA issues, Mr. Kent Wiedemann said:

[Begin Wiedemann recording in English fading into Vietnamese translation] I think that the normalization process has helped, because I think that the Vietnamese people have been more open while working with us. This was evident when we communicated with the Vietnamese people in rural areas, in villages, communes, or provinces. The responses from the Vietnamese side were not tardy, but were increasingly forthcoming. We believe that we will receive more assistance to solve the remaining cases, which the Vietnamese side also considers a humanitarian issue [end recording].

On the question of ties between the two countries after the normalization and in the future, Mr. James Wold said:

[Begin Wold recording in English fading into Vietnamese translation] We think that in fact the relationship, as young as it is, as we only normalized relations on 7 July last year, is going quite well. Beside the continuance of top-priority issues, the cooperation between the two sides in solving the MIA issue has been increasing. We think that we have laid the foundation for comprehensive ties in cultural exchange and education, but of course there will be more areas where we will have more effective cooperation. We will continue to cooperate in issues of common concern for both countries.

SRV: Cooperation With Malaysia in Broadcasting Agreed

BK1303085596 Hanoi VNA in English 0719 GMT 13 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 13—Minister of Information and Culture Tran Hoan has paid an official visit to Malaysia from March 9-12 as guest of the Malaysian Minister of Information Mohamed Rahmat.

At the talks held on March 11, the two ministers agreed to set up a joint information committee this year to help each other improve professional training and conduct bilateral cultural exchanges. The host and guest also discussed the capability of utilising Malaysia's satellite television and ASEAN satellite channels to comprehensively introduce Vietnam to other ASEAN member countries and the world, thus boosting the mutual understanding and friendship between countries in the region.

The Malaysian side also promised to help Vietnam to train information and cultural workers in the English language.

The Vietnamese minister said he hoped the just-ended official visit to Vietnam by the Malaysian Prime Minister Mahathir Mohamed would further boost bilateral multi-sided cooperation including information and broadcasting.

Mr. Tran Hoan, and representatives from the VIETNAM NEWS AGENCY, Radio Voice of Vietnam, Vietnam Television, and Vietnam's ASEAN Standing Committee called at Malaysian media organisations and the 421-metre high Kuala Lumpur television tower during their stay there.

SRV: Radio Reviews Friendship, Cooperation With Denmark

BK1303110896 Hanoi Voice of Vietnam in English 1000 GMT 12 March 96

["Station Review"]

[FBIS Transcribed Text] The Danish Government will strengthen assistance and cooperation with Vietnam in its national construction. This was stated by Danish Cooperation and Development Minister Poul Nielson at the reception given by Vietnamese Party General Secretary Do Muoi in Hanoi on Monday [11 March]. At this program, we review Vietnam-Danish relations.

Speaking at the reception, Minister Poul Nielson said Denmark will grant Vietnam a loan of $20 million to support rural development, aquatic production, provision [word as heard] of safe water, and environmental conservation and preservation program. The loan is in additional to Denmark's services development assistance to Vietnam. He also said that Denmark would like to cooperate with Vietnam in administrative reform and strengthen cultural exchange.

The Danish Government and people in recent years have developed relations with Vietnam. Both countries have exchanged many high-level visits aimed at strengthening political ties and mutual understanding. They have expanded economic, scientific, and technological trade relations. They have signed many agreements including investment encouragement, avoidance of double taxation, and an agreement on Denmark's preferential credit loan of $50 million to Vietnam for the 1995-98 period. Of late, Denmark has written off a Vietnamese debt worth $53 million and granted Vietnam an ODA [Official Development Aid] aid of $100 million until 1997. Danish funded projects include the Hoang Thach cement plant, the La Nga sugar mill, the Dalat water system, and a safe-water supply project in Hanoi. All have effectively contributed to improvement of the Vietnamese people's life.

At the reception given to the Danish guest, Prime Minister Vo Van Kiet highly appreciated Denmark's assistance program in the Central Highlands and welcomed bilateral cooperation and Denmark's assistance in development projects in rural and mountain areas where infrastructure remains poor.

SRV: National Assembly's 12 Mar Proceedings Reported

BK1203164796 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 12 Mar 96

[FBIS Translated Text] Today is the ninth working day of the Ninth National Assembly's ninth session. The deputies heard cabinet members answer a number of questions on socioeconomic issues raised by National Assembly deputies during their group discussion and at the conference hall.

Finance Minister Ho Te, on behalf of the government, answered questions on the reasons for the state budget deficit, which was 25.3 percent above the level allowed by the National Assembly in 1995, and on the failure to fulfill revenue collection targets last year. After explaining the reasons for arrears and fee evasion by various state enterprises in 1995, Minister Ho Te also pointed to the objective and subjective causes of the tax collection shortfall in 1995.

Afterward, State Bank Governor Cao Sy Kiem answered the National Assembly's question on the 1,824 billion dong arrears in 1995, out of which hundreds of billions of dong comprise debt that cannot be settled. He also briefed the National Assembly on the recent reduction in the interest rate of saving accounts at a number of banks.

Minister of Public Health Do Nguyen Phuong answered the questions on unemployment of more than 3,000 graduates from various medical colleges, issues related to treatment of patients and hospital fees, and the current distribution and use of foreign and fake medicine.

Tran Dinh Hoan, minister of Labor, War Invalids and Social Welfare answered questions on allowances for sick and wounded soldiers and for those who have rendered meritorious service to the state.

Tran Hong Quan, minister of Education and Training answered questions on fees additional tuition, foreign language studies and tuition at various universities and high schools, and entrance examination fees at various colleges.

Nguyen Ky Cam, minister and state inspector general, answered questions on the causes of high cement prices last year and measures to deal with rice smugglers at the border areas.

Minister of Culture and Information Tran Hoan answered questions on the current cultural and information situation, efforts to build a modern culture and the arts, while maintaining national traditions and eliminating decadent culture.

The National Assembly will continue its debate at the conference hall in Hanoi tomorrow.

SRV: National Assembly Issues Communique No. 8

BK1203164196 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Mar 96

["Communique No. 8" issued by the Ninth National Assembly in Hanoi on 12 March]

[FBIS Translated Text] Today, the National Assembly held a plenary session chaired by National Assembly Chairman Nong Duc Manh.

The National Assembly heard Prime Minister Vo Van Kiet deliver a speech on a number of key policies and measures that were taken in order to successfully carry out the 1995 tasks. They include efforts to mobilize all resources and society's potential to speed up socioeconomic development, improve the national financial situation, strengthen administrative reform, promote thrift, and accelerate the struggle against corruption and smuggling.

The National Assembly also heard the following cabinet members answer questions put forth by National Assembly deputies:

Finance Minister Ho Te answered questions on revenue collection and expenditures during the 1995-96 period, failure to fulfill tax collection targets and overexpenditure of the state budget in 1995, and measures to manage tax collection and to avoid collection shortfalls in 1996.

State Bank Governor Cao Sy Kiem answered questions on the management of capitals and bank credits, on measures to deal with losses and negative practices in banking activities, on wages policy for cadres and personnel of banks, and on reduction of interest rates for loans.

Minister of Public Health Do Nguyen Phuong answered questions on the health care strategy for the people up to the year 2000, the measures to consolidate grassroots public health service especially in villages and wards, the investment to improve public health service in remote and border areas and offshore islands where there are no medical doctors, the guidelines to overcome consequences of medical diagnosis and treatment, health insurance, management of trading and export-import of medicines, and the collection of hospital fees.

Tran Dinh Hoan, minister of Labor, War Invalids and Social Welfare answered questions regarding the policy toward those who have had meritorious service to the state, and measures to overcome bureaucracy and inconvenient procedures in implementing social welfare policy.

Minister of Education and Training Tran Hong Quan answered questions on efforts to enhance education quality from elementary to university levels, measures to overcome negative phenomena in education and training activities, issues related to universalization of elementary education, assistance to poor students, additional tuition, and further studies abroad.

Nguyen Ky Cam, minister and permanent member of the anticorruption and smuggling steering committee, answered questions regarding measures to deal with individuals who caused the high price of cement in 1995 and regarding rice smugglers at the border areas.

The minister of Culture and Information responded to questions on the struggle against decadent culture and measures to build the new culture bearing pure national characteristics.

After hearing answers by these cabinet members, many National Assembly deputies asked for clarification on a number of issues. The deputies include Pham Quang Du, Nguyen Tan Phat, Pham Thu, Le Minh Chau of Ho Chi Minh City; Vo Tong Xuan of Can Tho Province; Nguyen Thi Hoai Thu of Tien Giang; Dang Nhat Minh of Thanh Hoa; Do Quoc Thang and Cu Hoa Tuan of Lau Cai; Nguyen Ngoc Tran of An Giang; Tran Thi Le Thu of Binh Dinh; Nguyen Dinh Ho of Thua Thien-Hue; Dang Thi Thanh Huong of Quang Ninh; Ngo Thi My of Lai Chau; Nguyen Don of Quang Nam-Danang; Tang Van Luy of Ha Bac; Hoang Dinh Cau of Ha Tay; and Vu Quan Phuong of Hanoi. The cabinet members took turns verifying issues raised by these National Assembly deputies.

Tomorrow, the National Assembly will continue its work at the conference hall.

Australia

Australia: Possible Impact of U.S. Labor Figures Viewed

BK1103053196 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 11 Mar 96

[Editorial: "Markets Correct" — received via Internet]

[FBIS Transcribed Text] If it is right, the evidence of unexpected strength in the US labour market is likely to be good for Australia — notwithstanding the higher long-term interest rates and lower share prices that have already turned out to greet it.

Of course, the veracity of last week's labour market numbers is open to doubt. The gain of 705,000 jobs reported by the US Labor Department came as a bolt from the blue. It is about twice the growth expected by analysts, and quite out of character with the other signs of economic activity. But to the extent that the jobs are real, and reflect an earlier than expected return to faster growth, it's good news for Australian exporters.

This year always represented a danger point for the Australian economy because of the risk that the US landing might be harder, and the Japanese recovery weaker, than expected. So far, the signs from both Japan and the US are reasonably good.

This week's response of the Australian industrial share and bond prices will be negative as they catch up with the correction on international markets. Indeed, on Australian markets it will be a week of looking for things to worry about: US inflation, world interest rates, Australian wages, the underlying deficit and the future of fiscal policy under the new Government.

Australia: Trade Minister Urges New Agenda for WTO Meetings

BK0503134696 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 23 Feb 96 p 7

[Report by Michael Dwyer]

[FBIS Transcribed Text] Australia is pushing the World Trade Organisation to embrace a new Singapore Declaration on global trade liberalisation when it holds its first ministerial meeting later this year.

The Federal Minister for Trade, Mr Bob McMullan, has also criticised the agendas for this year's important WTO meeting which have been put forward by the European Union and the United States.

Speaking yesterday at a major preparatory conference for the WTO meeting held in Brisbane, Mr McMullan said the global trading community's new agenda should address the issues of developing countries.

But Mr McMullan also said developing countries must recognise the need to consider the new trade issues like financial services and communications which is being pushed by the EU and the U.S.

"If we want developing countries to accept consideration of the new issues, we need to provide them with an incentive," Mr McMullan told the Brisbane conference.

"We need to accommodate their areas of priority concern," he said.

But Mr McMullan said it would be impossible to win wide community support for trade liberalisation if the global trade agenda did not include issues like the environment and labour standards.

Mr McMullan's comments highlight the difficulty which the WTO will have at its first ministerial meeting in Singapore in December in reconciling the agendas of developed and developing countries.

Earlier this week the EU released its new agenda for global trade liberalisation, which focuses on the need for more work in areas like financial services, communications and intellectual property.

The EU proposal also calls for further discussion on whether trade agreements should be linked to minimum labour standards.

Previous moves to make such a link almost derailed negotiations in the lead-up to the finalisation of the Uruguay Round of the GATT in late 1994, with much of the criticism coming from developing countries.

Mr McMullan said his proposed Singapore Declaration should set out a two-year work plan to 1998, with a focus on establishing a blueprint for comprehensive trade talks (including agriculture).

He also suggested some work could be commenced on areas like competition and deregulation policies.

Australia: Downer Views Ties With ASEAN, EAEC, E. Timor

BK0503105796 Bangkok ASIA TIMES in English 5 Mar 96 p 9

[Interview with Alexander Downer by Sydney correspondent Lachlan Colquhoun — place and date not given]

[FBIS Transcribed Text] Asia Times [AT]: Australia has a broadly bipartisan foreign policy. What differences are there in your policies and those of Australia under Labor's Gareth Evans?

Alexander Downer [AD]: We'd democratize foreign affairs. That is, treaty making processes would be subject to parliamentary scrutiny and public debate before treaties are ratified. We'd focus on our region but we won't be turning our backs on the United States or the European Union. The overwhelming component would of course be on our region, however. We believe that the aid program needs to be more directed to humanitarian assistance than it currently is, and we'll cancel projects such as the new A$55 million (US$42 million) bridge Labor wants to build in the Mekong delta in Vietnam. So, there are quite a few differences.

AT: How would you critique Gareth Evans? What have been the shortcomings with his performance?

AD: The failures have been in two areas. Number one, let's take administration. In the last year in particular the performance of the government in foreign affairs has become increasingly inconsistent and in some respects damaging. They have failed in terms of getting Australian participation in the Asia-Europe summit because of Mr Keating's abuse of Dr Mahathir.

They have now failed to get Australian participation in the second of those summits for exactly the same reason. They have handled the relationship with Indonesia in a messy way. Some big forward moves such as the security treaty, balanced against big mistakes like the Mantiri affair in the middle of last year. Most recently we have Mr Evans reported as having written to ASEAN governments criticizing Dr Mahathir for imposing a veto on Australia's participation in the second Asia-Europe summit. These things aren't doing us any good.

The second big criticism we have of them is that it's all very well to be talking about engagement with Asia but the engagement needs to be more than a rhetorical engagement. There has to be an engagement of substance.

We may have engaged Asia in a security sense, but in terms of economic terms our share of the Asian market is declining. Over 1984 to 1992 there was a 20 percent decline in Australia's share in Asia. Of all Australian direct foreign investment, in 1980 the ASEAN countries accounted for 50 percent, now the figure is around 8 percent.

AT: What do you say to those claims by Mr Keating, and which do have some resonance in parts of Asia, that your party is more centered on the US and Europe and has less of an interest in Asia?

AD: That is simply and obviously untrue. The previous Liberal Government of Malcolm Fraser focussed very much on Asia. In the Fraser years we had much better relations with Malaysia, for example, than we do now. Those claims are utterly absurd and I don't think anyone takes them seriously.

AT: You have been reported as making very relaxed comments about the East Asia Economic Caucus. [EAEC] Under Labor, Australia has always had a big problem with the EAEC because it's seen as excluding us and undermining APEC. [Asia-Pacific Economic Cooperation] Would it be true to say you have a different view here?

AD: Yes. APEC is important and we want it to continue but we don't have any in-principle objection to subregional arrangements provided they don't discriminate against our country, and I think its been wrong to take such a strong and public stand against the EAEC. Frankly, I think it would have been better to engage the EAEC, and say OK, this is Dr Mahathir's proposal and we are not included but we want to see it develop in a way that is not against our interests. I think something like that would have been far better understood than a campaign to stop it ever from happening.

AT: What about ASEAN itself? When Mr Keating was in Singapore Mr Goh made some very encouraging comments about possible future Australian and New Zealand membership of ASEAN. How do you see it?

AD: ASEAN is not imminent for us. As Mr Goh said, it's something on the horizon. We'd be much better to focus on linking the ASEAN free trade area with the Closer Economic Relationship we have with New Zealand. This would be a more practical and immediate step. Other countries are ahead of us in the queue to join ASEAN. Beyond that, I don't know what will happen.

AT: You've been critical of Gareth Evans' energies in North Asia too. Why?

AD: Well, under Labor we've turned our face away from North Asia. They've criticized us for saying we should put a greater priority on it, but those countries — Japan, China and Korea — are of more economic interest to us. That area also contains the region's potential flashpoints — the Koreas, Hong Kong, Taiwan and the Spratlys although of course they are of Asia-wide concern. But we do think that it's a part of the world which needs a greater focus than it's had.

AT: In the last week or so of the election campaign, Australia was consulting Japan on a security basis about the situation in Taiwan. Is it appropriate for Australia to do that?

AD: Yes, I think that's appropriate, just as its appropriate for us to talk to the United States about it. Regarding Taiwan, the message I will deliver to the Taiwanese is that a Declaration of Independence would be an act of real provocation. They already have a great deal of independence, there is no need for them to take that step.

AT: What about the security treaty Australia recently signed with Indonesia? Would you have taken that step? Is it in Australia's interests?

AD: The issue of the treaty never came up. We were never consulted about it, we were just told about it. To talk about it now is a hypothetical debating point. The treaty is there and we won't undo it.

AT: What about the East Timor question? You have been much more vocal about it than Labor. It's easy to do that in opposition, but how do you handle this issue in government?

AD: We must be consistent on the issue of human rights in East Timor. It's obviously a problem and we should level with the Indonesians about that. But even if the Australian government of the day wanted to ignore East Timor, the public would not let them.

You can't wash your hands of it — it's the one great obstacle to our relationship with Indonesia and we want a good relationship. It's not everything in that relationship, and there are very important other aspects to it which we are not going to sacrifice. We need to encourage the moderate reformers in Indonesia who want reform in East Timor and not encourage the hardline position. You can only do that through diplomacy, and the problem with the Labor approach on East Timor is that it has been hot and cold.

They've gone in the course of a year from Mr Keating not even raising the issue of East Timor when he met President Suharto, through to Evans going on television in Australia and describing the Indonesians as "oppressive" .

The message that comes through in Jakarta is that Gareth is only doing that for domestic political consumption but the real agenda is to ignore it.

AT: Where would you go first if you are made Foreign Minister?

AD: Obviously the region. Papua New Guinea and the ASEAN countries, followed by North Asia and further afield. But I won't be setting off immediately. I'll wait, learn, and listen.

I'll change the way a few things are done first, get briefings and settle into the job a bit before I go anywhere.

Australia: Engagement With Asia Vowed as Highest Priority

BK0403103996 Melbourne Radio Australia in English 0630 GMT 4 Mar 96

[From the "Pacific Beat" program]

[FBIS Transcribed Text] After one of the biggest electoral raps in Australia's postwar history a new Liberal-National party government is about to assume power in Canberra replacing 13 years of rule by the Labor party. The new government has promised that engagement with Asia will be its highest foreign policy priority. Australia's prime minister-elect, John Howard, who led the coalition to a landslide victory in Saturday's election, says his first overseas trip as leader will be to the region. From Canberra, Graeme Dobell reports:

[Begin recording] [Dobell] In conceding defeat after 13 years in office, Prime Minister Paul Keating claimed that one of Labor's key achievements had been to lower tariff walls and open Australia to the region. But the response during the campaign from John Howard was that the Keating government did not end the relationship with Asia but the deep involvement with the nations of the Asia-Pacific should be a bipartisan give in of Australian foreign policy. The new prime minister argues that the Liberal Party has a proud historical record in establishing the framework for relations with the region. Speaking to the National Press Club last week, Mr. Howard said Australia did not have to give up links to Europe and America to engage with Asia.

[Howard] I guess the point of departure ... the only point of departure between myself and the government on these issues is that when you hear them the language is often carried the same that in some way our associations with Europe and America are a liability rather than an advantage. But to me the great opportunity for Australia is that we have this remarkable intersection of our history and our geography that we can be seen as the link between Europe and North America and our part of the region. I think we can have ... we can have the regional association and have something more on top of it. But I make it very clear to all Australians that the importance of the association with the region will remain with a change of government. You ask me which country I will visit first, it will obviously be a country in our region.

[Dobell] The coalition foreign affairs policy for the election promised a special comprehensive diplomacy in relations with the ASEAN states of Southeast Asia but said there should also be a special focus on improving relations with North Asia. The coalition policy set up three major regional issues which it defined as security challenges for Australia. One is ensuring harmony between China and the region, the second is the fundamental importance to Australia of the economic and political development of Papua New Guinea, and the third is ensuring a continued United States' presence in East Asia. The policy said the defense alliance with America will remain a central feature of Australian security policy and the coalition government will allow the U.S. to preposition military equipment in Australia. [end recording]

Australia: Howard Predicts Excellent Relations With Asia

BK0603093296 Melbourne Radio Australia in English 0630 GMT 6 Mar 96

[From the "Pacific Beat" program]

[FBIS Transcribed Text] Australia's new prime minister, John Howard, has predicted that he will have excellent relations with Asia while promising to represent Australia's liberal democratic traditions. Mr. Howard has repeated his promise that his first overseas trip as Australian leader will be to the Asian region; but, as Graeme Dobell reports from Canberra, immediate attention is on the make up of the new cabinet and who will be Australia's new foreign minister.

[Begin recording] [Dobell] John Howard stepped to the head of the Liberal Party in January last year when Alexander Downer resigned as leader. Mr. Downer became shadow foreign minister and associates expect he'll be made foreign minister when the new cabinet is announced on Thursday or Friday. There is speculation that the job might go instead to Senator Robert Hill who will be the government leader in the senate. As the upper house leader Sen. Hill will rank third in parliamentary seniority behind Prime Minister Howard and Deputy Prime Minister Tim Fischer. Whether Mr. Downer or Sen. Hill becomes foreign minister they will be seeking to tackle questions about the new government's approach to Asia as summed up by an editorial in the Bangkok newspaper, THE NATION, which said that a golden era of Australian diplomacy centering on Asia has come to an end. It was an echo of the line Prime Minister Paul Keating pushed in the early stages of the election campaign.

[Keating] The leadership of Southeast Asia doesn't believe that the coalition is serious about the relationship.

[Dobell] In his first news conference since winning Saturday's election, Prime Minister-elect John Howard argued again that Mr. Keating's claim that Asia would not deal with the Howard government should be seen as political rubbish.

[Howard] What Mr. Keating said then was always rubbish. I didn't take it seriously. Spokesmen for various political parties and governments in the Asia-Pacific region didn't take it seriously. I have not the slightest doubt that as the prime minister of this country, I will represent Australia's interests abroad and be received in exactly the same way as my predecessors, both labor and liberal, had been received. His remarks were insulting to this country, patronizing towards the leaders of our neighbors in the Asia-Pacific region, and just a piece of unadulterated political talk and (?rubble).

[Dobell] While expressing confidence in the relations he build with regional leaders, Mr. Howard also sought to affirm the liberal democratic values that Australia would bring to its dealings with Asian States.

[Howard] I think I will have excellent relations, but they will be relations based on the proposition to have any kind of association with another country has to involve a mutual commitment. I said on Saturday night that I would defend the principles and the values of this country abroad and I will always go abroad representing the great liberal democratic tradition of this country. I will never ever be willing to compromise the values and principles of this country and Australia should never be represented abroad in anything other than an appropriate, but not a daringly forceful, way because there is so much in this country for which a prime minister should be (?proud). [end recording]

Australia: New Foreign Minister Affirms Commitment to East Asia

BK0803071196 Melbourne Radio Australia in English 0500 GMT 8 Mar 96

[FBIS Transcribed Text] The new foreign minister, Alexander Downer, says his first priority will be to reassure East Asian countries of the Howard government's genuine commitment to the region. Mr. Downer said the Labor Party had persistently and maliciously misrepresented the Coalition's approach to working with Australia's regional partners. The new foreign minister said he wanted to reverse any damage to Australia's image in East Asia caused by the Labor Party.

Mr. Downer said he was delighted to have been appointed as the minister for foreign affairs and recognize the enormous responsibility of the position. Radio Australia's Canberra Bureau says Mr. Downer had previously promised that his first overseas visit as foreign minister would be to Papua New Guinea and Southeast Asia.

Australia: APEC 'Catalytic Force' for World Liberalization

BK0503125496 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 21 Feb 96 p 4

[Report by Rowan Callick]

[FBIS Transcribed Text] APEC's [Asia-Pacific Economic Cooperation] "open regionalism" was proving a powerful ally in bedding down the Uruguay Round and advancing into new issues for global trade, Mr Renato Ruggiero, the director-general of the World Trade Organisation [WTO], said in Melbourne yesterday.

Mr Ruggiero is visiting Australia principally to speak at a conference on the multilateral trading system in Brisbane, organised by the Federal Government and the Committee for the Economic Development of Australia.

The conference, starting today, is one of a series around the world to promote consideration of a major new round of trade talks, starting at the next meeting of trade ministers of the WTO's 120 members, in Singapore at the end of the year.

Mr Ruggiero, a former Italian Trade Minister, said it was unlikely that a decision would be made on whether to undertake a whole new round until the next meeting, in 1999, when a review of all major international institutions was inevitable.

Among the items of unfinished business hanging over from the Uruguay Round, he said progress was being made on telecommunications and financial services. He believed the U.S., which had opted out of the WTO's accord on the latter, was now having some second thoughts. But talks on maritime services had bogged down.

Mr Ruggiero, who met Australian corporate leaders at a round table discussion at Melbourne University's business school, said: "APEC could become a catalytic force for the last phase of world liberalisation."

As long as APEC maintained its open regionalism, and the current calendar for liberalisation was maintained, there was no danger that regionalism would prevail over multilateralism.

The WTO's new committee on regionalism — established, he said, with major input from Australia — had, however, a broad mandate to examine the consistency of regionalism with multilateralism.

The WTO, he said, helped to make APEC work, providing a broader context and a vehicle for dispute resolution, with 28 disputes already being looked at.

Mr Ruggiero said APEC had considerable leverage in its negotiations with Europe since it encompassed 45 percent of all global trade. Thus a threat to shift towards preferential trade, involving rules as well as tariffs, would be "a very strong threat".

The true value of economic globalisation — which he described as the major inter national success story of the post-war period — was yet to be fully realised. For it meant diminishing the differences between people all over the world, and at every level.

Mr Ruggiero dismissed claims by European opponents — especially those involved in the recent campaign of French strikes — that the tide was turning. Globalisation remained a process with "inbuilt dynamism", he said. Its vocabulary had become that of international discourse.

Despite the threat posed by Republican candidate Mr Pat Buchanan to pull the U.S. back into protectionism, he believed that ultimately America, as the world's greatest trading nation, would continue to back free trade.

Among the 29 candidate countries negotiating entry to the WTO are Russia and China. And China's situation, he said, was proving especially complex.

It was a "very dynamic economy" but one that emerged from a very different political regime to most WTO members. "So the adjustment the Chinese economy has to make to fulfil all the WTO commitments will require a huge effort."

Mr Ruggiero said the Brisbane meeting was an important step in shifting "ownership" of the free trade dynamic beyond bureaucrats in Geneva into the public domain. But first, the bedding down of the Uruguay Round remained "a massive engagement", requiring wide legislative changes.

Australia: APEC Role Suggested To Ease PRC-Taiwan Tension

BK1103051196 Melbourne Radio Australia in English 0100 GMT 11 Mar 96

[FBIS Transcribed Text] Australia's incoming deputy prime minister, Tim Fischer, says he is concerned at the tension developing between China and Taiwan. Mr. Fischer has suggested the Asian Pacific free trade forum, APEC [Asia Pacific Economic Cooperation], may take some form of mediating role.

[Begin Fischer recording] I would say there is one particular point about APEC — it is one of the few major organizations which China, Hong Kong, and Taiwan, all three, are members of, and that is something that I would put forward. [end recording]

Australia: Demonstrators Protest PRC Rule in Tibet

LD1003115396 Melbourne Radio Australia in English 1100 GMT 10 Mar 96

[FBIS Transcribed Text] Demonstrations have been held in Australia today to protest against Chinese rule in Tibet. The demonstrations, in Canberra and Sydney, marked Tibet National Day.

In Canberra, about 100 people protested outside the Chinese embassy. The Australian representative of the exiled Tibetan spiritual leader the Dalai Lama addressed the gathering in Canberra. The representative, Chim Retzig [as heard], said the Dalai Lama believed a political power struggle in Beijing was hindering progress in Tibet but there was hope for an eventual end to Tibet's problems. Conservationists opposed to the deforestation of the Himalayas took part in the Canberra demonstration.

In Sydney, protesters were told by Justice John Dowd of the New South Wales Supreme Court of concern that Western governments were not recognizing Tibet as a separate country.

Australia: Financial Aid to Papua New Guinea Reviewed

BK0503111196 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 15 Feb 96 p 18

[Commentary by Rowan Callick]

[FBIS Transcribed Text] Tonight it's Gareth Evans versus Alexander Downer on ABC TV: the Uni debating club brings a little light relief to a dour campaign.

For scant electoral weight hinges on the outcome. Since the Prime Minister's hubristic claim that Asian leaders would shun John Howard foreign affairs hasn't figured.

That's understandable. There is effective consensus within Australia on the country's essential international thrust, give or take the odd protectionist/isolationist out on the remote Right or loopy Left (their stances tend to coincide).

And so there is little anxiety — or excitement overseas about the outcome of the election. Australia will remain a dependable enough ally, a steady enough advocate of global trade and peace.

Hence, the relaxed way in which viewers in Australia are likely to approach an Evans-Downer debate, which could involve the former using his formidable forensic skills to win a cruel knockout, or maybe help confirm the latter's low-key comeback from his ignominious leadership.

But there is also a small group of viewers elsewhere who will be taking an extraordinarily focused interest in tonight's show: the ruling elite of Papua New Guinea [PNG] who have access to ABC TV via an impeccable satellite footprint.

Although it was the Whitlam Government, in its last major act, that finally granted independence to PNG, huge credit was adduced to the earlier enabling role of Andrew Peacock and other Liberal leaders.

And as the two countries have drifted apart with the erosion of time and the inroads of other priorities, and as even areas of continuing proximity, such as the $325 million per year aid relationship have created fresh tensions, so have PNG leaders harboured quiet hopes of a new and better deal from the return of a Liberal administration.

The visit of Alexander Downer to PNG last year, as his first overseas trip as shadow Foreign Minister was viewed as an optimistic sign, an earnest of closer attention and — with a dose of luck and of advocacy from some old mates — perhaps also of more and/or easier money.

Now Downer says, in the policy document he released last weekend, that Coalition foreign policy will "give a significantly higher priority to assisting PNG to address its current economic difficulties ...

"The Coalition will ensure that PNG is not diplomatically neglected by Australia," he said. For Downer believes that "the Australian Government has neglected high-level ministerial engagement with PNG".

He says the Coalition will also "review, in close consultation with the PNG Government, current plans for project aid", and will "encourage Australian investment and participation in the PNG economy through a process of business education in Australia".

Music to PNG political ears, guaranteeing Downer a jolly, lei- laden reception if he lands in Port Moresby as Foreign Minister.

Downer's office is swift to stress that he would not increase the aid nor return to the former system of Budgetary aid, and that the note of difference he is sounding, is principally one of style, of providing a more relaxed and attentive framework to the relationship.

Downer would be in a position to effect this, too. For all diplomatic roads would lead to his desk, because he would assume the Pacific islands responsibilities now assigned to Gordon Bilney and also, possibly, Bilney's aid portfolio too.

Tragically, the timing for such a softening of the relationship — as it would undoubtedly be viewed in Port Moresby — could not be worse.

The best and only hope of PNG's moving towards sustainable, broad-based growth before its aid treaty with Australia expires on July 1 2001, is for the structural adjustment program agreed six months ago with the World Bank, International Monetary Fund, Asian Development Bank, Australia and Japan, to be fully implemented.

Failure would lead to a World Bank pull-out, and to the others facing the prospect for the first time, of a default on the $US200 million five-year loans already disbursed — and the prospect of a slide back to renewed dependence on Australian tax-payers.

And despite the assurances of senior PNG politicians, the only real gains made in the last year have been the steadying of the kina following its float — Prime Minister Sir Julius Chan has boasted of its stability compared with the yen's — and the easing of foreign reserves anxieties.

Such macro-economic gains conceal, however, an effective halt to the real stuff of development — better schooling, health and infrastructure. PNG's Institute of National Affairs has developed a "misery index" that rates effective unemployment at 35 percent, while inflation through 1995 was 19 percent.

The $US158 million second tranche of the adjustment program will not be negotiated until the Government has demonstrated implementation of part one. But the massive constitutional reforms of last year are clouding the issue hugely, with some provinces, and the crucial church-run health services, claiming their funding has stopped.

In the middle of this, the Government has found $2.5 million to pay for a book published by an Icelander promoting PNG investment, replete with errors. And it has funded a $50,000, 30-day tour of China, Malaysia, Hong Kong, Singapore and Indonesia by its constitutional review commission with a view to making PNG's troublesome media more "accountable".

In such tumultuous circumstances, and in a world where words are cheap and action dear, more amenable style and more direct access of the sort Downer is proposing, are hungrily accepted as reinforcement of the creaking status quo.

AUSTRALIA: Media Firm Withdraws From SRV Television Deal

BK0703074596 Melbourne Radio Australia in English 0500 GMT 7 Mar 96

[FBIS Transcribed Text] Australian media businessman Kerry Packer has been frustrated in attempts to get into television in Vietnam. Mr. Packer owns a 46 percent share of VIR Limited, which publishes the weekly VIETNAM INVESTMENT REVIEW under a joint venture agreement with a government ministry. However, as Peter Meyers reports from Hanoi, the company has pulled out of a deal to supply programming to state-run television:

[Begin Meyers recording] VIR's managing director in Hanoi, Mr. Alex McKinnon, says the company can no longer afford to invest in a project with an uncertain future. For the past year VIR has been supplying programs like Blue Heelers to a station called Hanoi TV, but its application for an ongoing license for the project has still not been approved. Mr. McKinnon says there is no sign of that changing in the near future. [end recording]

Australia: Downer Praises 'Arafat's Efforts To Find Bombers

BK1203041396 Melbourne Radio Australia in English 0100 GMT 12 Mar 96

[FBIS Transcribed Text] Australia's new foreign minister, Alexander Downer, has praised Palestinian leader Yasir 'Arafat for efforts to find those responsible for recent bus bombings which have killed 61 Israelis.

In his first speech as minister, Mr. Downer told members of Melbourne's Jewish community that Israeli and Palestinian authorities must work closely together to fight those undermining peace.

[Begin Downer recording] These actions augur well for the future of the peace process — a process that the late prime minister, Yitzhaq Rabin, paid for so dearly. The peace process must go on. We can only hope that the people of Israel, who have suffered so much in recent times, have no new cause for suffering. [end recording]

Australia Notes French Efforts To Rebuild Pacific Ties

LD0503110896 Melbourne Radio Australia in English 0900 GMT 5 Feb 96

[FBIS Transcribed Text] Australia says there are indications that France is making serious efforts to rebuild its relations with South Pacific countries, but an Australian Government statement says France still has to accept full responsibility for adverse effects its nuclear tests

may have on the South Pacific environment and people. The statement, from the Foreign Affairs Department in Canberra, noted that France had agreed to a radiological study at its nuclear test sites at Mururoa and Fangataufa atolls in French Polynesia. It said France's agreement for a study by the International Atomic Energy Agency was in keeping with the demand made by environment ministers from South Pacific countries. The Foreign Affairs Department said the study was a sign that France intended to fulfil its responsibilities for health, safety and the environment.

Australia:'Fiscal Trap' Awaiting New Government Viewed

BK0403065696 Sydney THE SYDNEY MORNING HERALD in English 4 Mar 96

[Article by Max Walsh: "Fiscal Trap That Could Ruin Libs' Dream Run"]

[FBIS Transcribed Text] Saturday's swing against Labor has been so large that it has spawned an instant political myth — that the Howard Government's big majority will guarantee it at least two terms.

Remember, this 6 per cent swing occurred in a relatively benign economic environment. True, unemployment is high at 8.6 per cent but it is well down from its peak. The economy is growing, as it has for the last four years and interest rates are way down below the peaks we have seen in the not too distant past.

Would a Howard Government survive if its first term expired at a time when a balance of payments crisis had the Reserve Bank applying the screws to monetary policy, pushing mortgage rates up towards 20 per cent and unemployment well into double digits?

I doubt it, especially if the Opposition could point to the failure of the Howard Government to tackle its fiscal deficit in order to relieve the pressure on the current account deficit.

In such circumstances you might imagine that simple self-interest would see Treasurer Costello pushing that Budget into surplus as fast as possible.

Unfortunately, not only would that approach involve inflicting some political pain, there is no guarantee that such a policy approach would avert a bruising balance-of-payments episode. The risk could be reduced but not eliminated.

Our high level of net foreign liabilities — of which debt is the largest element — mean that Australia is exposed to a greater degree than any other advanced economy to external shocks. Winding it back is going to take time, which is why Labor let the situation drift despite evidence that current account deficit crises are now cropping up more frequently.

In both 1986 and 1989 remedial action was required which pushed interest rates up with unemployment following.

And so long as our dependence on capital inflows exceeds our growth performance that risk of more such episodes will increase.

There are other unfavourable implications in the insouciant attitude which the outgoing Labor Government had to fiscal responsibility, and which the Howard Government is already showing signs of emulating.

Countries that run high current account deficits are subject to a punitive risk premium on their foreign borrowings. At the same time their currency is chronically undervalued because depreciation becomes the soft policy option and the markets factor this in.

Since the era of fixed exchange rates broke down some 20 odd years ago the Australian exchange rate, as measured by the trade weighted index, has more than halved.

Higher interest rates place us at a competitive disadvantage in attracting investment.

An undervalued currency means our assets can be snapped up at bargain sale basement prices. At present, we have the American oil giant Mobil seeking to takeover one of our few local oil exploration companies Ampolex.

When that happens the expertise developed in this Australian company will be subsumed into the US parent and the career path for those who want to work in this technical area will be through the US.

The aggregation of these foreign takeovers carries pernicious implications for the Australian workplace that are only evident over a period of time.

The more we become a branch-office economy the more we reduce the opportunities for coming generations to occupy the high, value-added and high-paying jobs of the post-industrial society.

Rather belatedly this aspect of the fall-out from running an economy that lives beyond its means has come to be acknowledged in the debate over the future of Telstra. These slow-acting long-term consequences have been of little interest to politicians who operate on a three-year political cycle.

In fact, political short-termism has been the guiding principle behind the run-up of our foreign debt over the last decade and a half.

It has been a relatively painless way in which to run the economy.

Now, however, the high risk nature of this approach is becoming more obvious. That is why both sides of politics have taken to acknowledging that more must be done to lift national savings.

But as we saw in the election campaign when it comes to a choice between higher savings, in the form of fiscal surpluses, and buying votes with promises of bigger handouts — but no tax increases — it is the pork barrel which prevails.

It would be helpful to the cause of good government if, in fact, fiscal irresponsibility was faced with immediate retribution. If the scale of irresponsibility is large enough that will happen. If, however, we continue as we have in the past with petty rather than grand larceny of the public purse then the retribution is less noticeable — the dollar trends down with the direction disguised by cyclical factors such as commodity prices, unemployment remains high because the cost of investment is higher here than elsewhere, foreigners pick off our national assets, job opportunities at the high, value-added end of the market contract.

The temptation for Treasurer Costello will be to do nothing; to "fund" Liberal election promises from asset sales and leave the Budget in structural deficit.

Reinforcing this temptation will be the soft condition of the global economy which will keep interest rates on the low side, thereby keeping our servicing costs down.

However, it is unlikely that the global economy will remain in a subdued condition for the full three-year political cycle.

Most important is the state of the Japanese economy which is now in its fourth year of stagnation. In an effort to restart that economy interest rates have been cut to bear zero and the central bank is printing money which is flooding into the market.

As a result, Japanese capital is moving out into the global market place seeking higher interest rates than are available domestically.

At some stage the loose monetary policy will bite in Japan and then the authorities will have to move swiftly to prevent a burst of inflation.

When they increase interest rates the flow of funds will go into reverse and Australia with most of its debt now short-term in nature will quickly feel the impact of that. Higher interest rates and lower commodity prices are the external shocks which can push our current account into highly dangerous territory.

Treasurer Costello can reduce our exposure, but he cannot eliminate it.

If, however, he adopts an attitude of benign neglect to our foreign debt then the risk of external shock will increase — and with it so too will the risk to the re-election chances of the Howard Government.

Australia: Editorial Views Coalition's 'Powerful Mandate'

BK0403054296 Sydney THE SYDNEY MORNING HERALD in English 4 Mar 96

[Editorial: "The Howard Mandate" — received via Internet]

[FBIS Transcribed Text] Mr Howard has a victory, and it is one that exceeds all but the most optimistic expectations of his supporters. His doggedness and perserverence have been rewarded. He deserves congratulations for his success in leading his party out of the political wilderness where, as he said in his victory speech on Saturday night, it had "endured far too many years". He has led his party to victory in every State and inflicted the biggest defeat on the Labor Party since the defeat of the Whitlam Government in 1975.

As Mr Howard observed on Saturday night, the Coalition has been elected with "a very powerful mandate". The exact scope of that mandate will now become a question of much debate, one for which there can be no clear and simple answer in every detail of policy. In fact, in discerning the precise nature of the command given by electorate to the new Government, it will become important to look not only at policies but also the manner of their implementation. Mr Howard seemed conscious of this on Saturday night when he said that "whilst I will seek at all times for unity and a common point of view, we have not been elected to be just a pale imitation of the Government we have replaced".

In these words Mr Howard foreshadowed what could be his Government's greatest test. The fact that the Coalition has won such a resounding victory does not mean the problems of government will be any easier for it. Indeed, as is well recognised, large majorities often create problems for a government. For example, factional differences can be exacerbated and expectations — impossible to meet — can be raised among a large number of elected members of the temporarily inflated ruling party. Wisely, Mr Howard has been quick to assure the National Party that its position is secure and that it will share fully in the power of government. That does not mean however that there will not be tensions within the Coalition and — just as important — within the Liberal Party itself, if not over policies, then over the manner and pace of their implementation.

A hint of the sensitivity of the new Government to the need to tread carefully has already been seen in conciliatory attitudes expressed by Mr Howard and by the Coalition industrial relations spokesman, Mr Peter Reith. Yesterday Mr Reith spoke of changing federal unfair dismissal laws as a matter of high priority. But he gave equal emphasis to consulting widely with trade unions and others on how that policy should be implemented. That did not mean compromising the policy, he said. "But we are genuinely interested in what people have got to say about the means by which we implement that policy."

This difficult balance between policy and implementation of policy will also come to the fore as the new Government sets about fulfilling its cost-cutting promises. Even before the election a full-scale battle has been raging in the ACT [Australian Capital Territory] between the Liberal Chief Minister, Mrs Kate Carnell, and public service unions over her attempts to trim the size of the ACT administration. Mrs Carnell presumably will now look to help from the new Federal Government in her battle, since the new Government is committed to the same battle but on a much larger scale. The way the new Government responds to the already volatile situation in the ACT will be an indication of how it will set about fulfilling its own election promise to save $2 billion by cutting the size of the Federal bureaucracy.

On some issues the stunning election result has simplified matters for the new Government. The Democrat leader, Senator Kernot, has suggested that her party's good showing in the Senate elections indicates electoral support for such Democrat polices as opposition to the sale of a one-third share of Telstra, as proposed by the Coalition to pay for its $1-billion environment policy. Regardless of the election result, the question of Democrat opposition to the sale of Telstra was always one for negotiation. It was always a matter of making the Democrats see sense. Now, with such a clear mandate in the House of Representatives, Mr Howard can justifiably claim that this key policy — the environment-linked sale of part of Telstra — is beyond all doubt endorsed by the electorate.

The reasons for the extraordinary result in this election will be sought in many places over the coming weeks. But a few things are immediately clear. A significant part of the reason for the Coalition's success after so long was the extent to which it shifted its own policies closer to Labor's. This occurred most significantly in relation to the environment and with health care and the Coalition pledge to retain Medicare.

Mr Howard rightly says the Coalition has not been elected to be a "pale imitation" of the Keating Government. But he should make no mistake that it has only been after moving Coalition policies towards those of Labor that victory has been achieved. To some extent, not easily quantifiable, the electorate has itself been moved by this policy convergence. At the same time, there has long been an underlying similarity in the approach by the two sides in Australian politics to what should be done in terms of micro- economic reform and even labour market reform. What separated the parties on these fundamentals was not so much the policies themselves as the willingness to implement them.

The new Howard Government will now be under strong pressure to do what the Keating Government signally failed to do — to persevere and carry through the hard part of key policies in relation to industrial relations and micro-economic reform. Caution and flexibility — such as Mr Reith is already showing in relation to industrial relations — is called for, but not at the cost of commitment. There must be no drift and loss of purpose on these key policies such as overtook the previous Government.

At the same time, the overwhelming support for the new Government must not become an excuse for arrogance. Mr Howard has wisely emphasised that his will be a government for all Australians. For that to be more than mere words, the new Government must ensure that the best of the previous Government' endeavours is not wasted. This means, for example, maintaining the momentum of initiatives such as APEC [Asia-Pacific Economic Cooperation] and ensuring that moves to change the Native Title Act, under the guise of improving it, do not undo the good work that has already been done towards Aboriginal reconciliation.

Australia: Editorial on 'Truly Reformist' Government

BK0403065496 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 4 Mar 96

[Editorial: "Howard Must Court the Senate" — received via Internet]

[FBIS Transcribed Text] The magnitude of Mr John Howard's stunning election victory has opened up the prospect that he could bring to the federal arena Australia's first truly reformist Liberal government. Equally, however, he could end up emulating the extremely disappointing performance of his most recent

Liberal predecessor, Mr Malcolm Fraser, who despite achieving stunning victories in both 1975 and 1977, produced little in the way of policy reform.

That the Coalition may indeed choose the easy path has already been suggested by the comments of some of its key frontbenchers, who have stressed that the new Government will not treat the huge vote it received on Saturday as a mandate for pressing for reforms which extend past the rather disappointing policy program outlined during the election campaign.

The choice is Mr Howard's. When Treasurer in the last Fraser Government, he pushed hard, but unsuccessfully, for genuine policy initiatives. The risk is that today, 13 years later, Mr Howard may have lost his policy fire. Instead of being a force for change, he may be tempted to embrace the cautious, do-nothing stance adopted by Mr Fraser, in the process blocking attempts by his own Treasurer, Mr Peter Costello, to restore genuine fiscal responsibility to the Federal Government.

If this turns out to be the case it would be a tragedy for Australia since it would represent yet another lost opportunity for reform. Mr Paul Keating wasted his following his unexpected victory over Dr John Hewson in the 1993 election. Whatever else can be said about that victory, it should have enabled Mr Keating to push forward with the impressive economic reform program he had set in train when Treasurer. Instead, he indulged himself in peripheral policy issues and ignored the main game. As a result Mr Keating, while an extremely successful Treasurer, was a failure as Prime Minister. History will judge him accordingly.

Mr Howard, having just won such a powerful endorsement from voters, should keep this in mind as he battles with the temptation to merely bathe in the glory of having finally won the top political job rather than engaging fully in the very much more demanding task of delivering those key reform initiatives he has long espoused, particularly wide-ranging labour-market reform, a full-scale overhaul of the tax system, and a properly disciplined approach to federal finances.

Unfortunately, much of what the Coalition promised during the campaign was either unnecessarily extravagant or disappointingly cautious. Those who hope Mr Howard has retained at least some of his past reformist zeal will also be hoping that, behind the bland electioneering, there lurks a much more determined hidden agenda.

If such an agenda exists, the overwhelming strength of the vote which swept Mr Howard into power has surely given him the necessary mandate to implement it, in the process shaping policy creatively so as to take full account of the realities he will confront in government, rather than just sticking with the narrow list of promises outlined in recent weeks.

Assuming he has the courage and commitment to take on this task, the main challenge he will face will be the need to court the Senate. To do this he will have to neutralise the Australian Democrats' claim to be the party which "keeps the bastards honest" — a claim which, while electorally successful, has the potential to let Senator Cheryl Kernot and her colleagues delude themselves into thinking that a party which received less than 7 per cent of the votes has the right to dictate to a Government which won a landslide victory.

If, despite this huge imbalance of support, the Democrats persist with an obstructionist strategy in the Senate, the focus will shift to Labor's senators. While they clearly wouldn't support the Coalition's labour-market reforms, it is not impossible to envisage some policy areas, particularly tax reform, where Labor may perceive a tactical advantage in siding with the Coalition to overcome minor- party opposition.

Of course, whether Labor without Mr Keating at the helm will have any real interest in such policy reform is an open question. The answer will, in part, depend on who takes over as leader. The logical successor is Mr Kim Beazley, who has the ability to lead well but who may not even hold his seat. If he doesn't, the immediate future for Labor looks grim, with the main alternatives being the very unconvincing Mr Simon Crean or the overwhelmingly arrogant Mr Gareth Evans.

But in the end it is not what happens to Labor in the next few years that really matters, but what Mr Howard decides to do with his massive mandate. The choice he makes will determine whether Australia finally gets its first truly reformist Liberal government.

Australia: Incoming Prime Minister Reshapes Administration

BK1103052196 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 11 Mar 96

[Report by Tom Burton and Louise Dodson — received via Internet]

[FBIS Transcribed Text] The incoming Prime Minister, Mr John Howard, has introduced US-style reforms to government administration, establishing a politically appointed Cabinet office to implement the Coalition's strategic policy directions.

Former Harkness fellow and Rhodes scholar Mr Michael L'Estrange, who will head the powerful office, has emerged as the key official in the new Coalition Government.

Described by friends as a "mild" ideologue, Mr L'Estrange once applied to write the memoirs of Mr Gough Whitlam, before joining the federal Public Service in the early 1980s.

Mr Howard's changes mark an effective downgrading of the powerful Prime Minister's Department.

The Treasury will now be the dominant federal department, with control of the new super economic reform agency the Productivity Commission.

Treasury has also secured control of the Australian Securities Commission, giving it power over all the major business regulators, including the Australian Competition and Consumer Commission, the Foreign Investment Review Board and the Insurance and Superannuation Commission.

The new Productivity Commission combines the Industry Commission, the Economic Planning Advisory Commission and the Bureau of Industry Economics.

The changes give Treasury the key bureaucratic research bodies which have in the past played a strong role in advocating micro- economic reform, industry development and social and economic change.

Almost half the departmental heads have been shifted or removed in the new Government's public service shake-up. These arrangements, however, reflect the Howard Government's priority on ensuring that it has the ministerial and bureaucratic expertise to frame the all-important first Budget, due in August.

The heads of the key Budget departments — Mr Ted Evans at Treasury, Mr Steve Sedgwick at Finance and Dr Mike Keating at Prime Minister and Cabinet — have been retained, at least for now.

The first step in preparing the new Budget is expected to take place tomorrow when the new Treasurer, Mr Peter Costello, releases the updated forward estimates and the starting point for developing the 1996-97 Budget. The markets are expecting a starting-point deficit figure of around $5 billion [Australian dollars].

Cabinet meets for the first time this afternoon to be briefed on the new figures and the implications for the Government's election promises.

Mr L'Estrange's appointment is seen as a move towards US-style approach which places political appointees at the highest level of the policy process.

Mr L'Estrange will have a separate staff drawn from the public service and outside appointments, will report directly to Mr Howard, and is expected to sit in all Cabinet meetings as the Prime Minister's most senior adviser.

A foreign policy expert, Asia enthusiast and political liberal, Mr L'Estrange's brief is to ensure that the Government's strategic policy objectives are not subjugated to bureaucratic interests.

He joined the staff of the then Leader of the Opposition, Mr Andrew Peacock, and of his successor, Dr John Hewson, whom he served as chief policy adviser.

Mr Howard has made only one outside department head appointment — that of Mr Paul Barratt to head the Department of Primary Industries and Energy.

Mr Barratt was previously a deputy secretary in the Department of Trade under the Fraser Coalition Government.

In his own words he fell foul of a "bit of bureaucratic turbulence" when Trade was merged with Foreign Affairs in 1987 and was left with a "special adviser" position. He then became a deputy secretary of the merged department before leaving to become executive director of the Business Council of Australia.

He is expecting to remain in Melbourne and commute to Canberra but is looking forward to heading the new super-ministry which is expected to focus on the new rural industries agenda of developing a food and agribusiness sector.

Two key Howard policy priority areas have won Canberra's most experienced operators.

The new super-department of Employment, Education, Training and Youth Affairs — which will seek to address the problem of youth unemployment — will be headed by Mr Sandy Hollway, who was an adviser to two prime ministers, Mr Malcolm Fraser and Mr Bob Hawke.

The former head of Primary Industries and Energy, Mr Greg Taylor, has won control of an enlarged Industry Department which will include housing, tourism, small business and consumer affairs.

As expected, the departmental heads seen by the Coalition to be too close to the Hawke and Keating Governments were removed. These included the head of Foreign Affairs and Trade, Mr Michael Costello, who had worked for Mr Bill Hayden when he was Labor's Foreign Affairs Minister; the head of Immigration, Mr Chris Conybeare, who worked for Mr Hawke when he was Prime Minister; and the head of Human Services and Health, Dr Stephen Duckett, who was hand-picked for the job by the outgoing Minister for Health, Dr Carmen Lawrence.

Australia: New Government's Administrative Changes Defended

BK1103052496 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 11 Mar 96

[Editorial: "Changes to the Public Service" — received via Internet]

[FBIS Transcribed Text] Those who criticise the incoming Federal Government for the changes to the top ranks of the Public Service have missed the point.

All governments must have confidence in the people who implement their policies, and if that means shifting a few departmental heads, then so be it.

But there are limits on how far governments should go. The last thing this country needs is a politicised Public Service along US lines.

The great strength of the Australian system of public administration is the depth of experience and expertise built up over the years. This would be severely eroded if large numbers of public officials lost their jobs whenever the government changed. It would also be eroded if small numbers of public servants were victimised.

Incoming governments hoping for longevity need to move cautiously between two principles: make those changes at the top that are necessary, but don't be heavy-handed.

If the approach taken by a department is deemed inappropriate, a change at the top is enough.

The real issue is not whether governments should dispense with "inappropriate" department heads, but whether their replacements are genuinely up to the job, rather than being solely political appointments.

When assessing Mr Howard's shake-up against these principles, it needs to be kept in mind that incoming governments will usually describe their changes as depoliticising the bureaucracy. Outgoing governments will see them as the reverse.

Both views are simplistic. They conveniently ignore the realities of public administration and perpetuate the misleading idea that the Public Service is a completely neutral body run by "permanent" apolitical heads.

If only public administration were so simple.

That kind of bureaucracy might be the ideal, but the modern bureaucracy, particularly at its senior levels, generates as much policy as it implements.

And the line between policy options and political options can frequently be extremely fine.

By convention and tradition, senior public servants are obliged to provide policy advice that is consistent with the Government's political agenda — which can, in some cases, leave them dangerously exposed when governments change. It is also true that unless they meet this political demand for "suitable" policy options, their career paths will soon go into reverse.

Against this background, Mr Howard's decision to remove six department heads — for whatever reason — seems well within the legitimate prerogative of any new administration, particularly one that has been in Opposition for 13 years.

The changes highlight the real status of department heads. Whatever their contracts might say, their tenure is at the pleasure of the Government of the day.

Australia: Howard Sworn in as 25th Prime Minister

BK1103051296 Melbourne Radio Australia in English 0100 GMT 11 Mar 96

[FBIS Transcribed Text] John Howard has been sworn in as Australia's 25th prime minister. This follows the election of the Liberal-National party government in polls on 3 March. Michael Rowland reports from Goverment House in the national capital, Canberra.

[Begin recording] [Rowland] Accompanied by his wife and children as well as his three brothers, Mr. Howard was welcomed to Government House by Governor General Sir William Deane. After formally terminating Paul Keating's prime ministership, Sir William asked Mr. Howard to take the oath of office.

[Howard] I, John Winston Howard do swear that I will well and truly serve the people of Australia in the office of prime minister and that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second, so help me God.

[Rowland] Mr. Howard was then congratulated by the governor general and invited to proceed with his new government. The other 27 members of Mr. Howard's new front bench are now also being sworn in. [end recording]

Australia: Editorial Urges Howard To Work on Reforms

BK1203041996 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 12 Mar 96

[Editorial: "Howard's Extensive Mandate" — received via internet]

[FBIS Transcribed Text] The swearing in yesterday of the new Federal Government is a potent symbol of Australian democracy at work. While often taken for granted, the fact that a change at the top in Canberra continues to occur so smoothly, and with so little acrimony, is something which should be loudly applauded. Twenty years ago, even the bitterness of the dismissal of Mr. Gough Whitlam as prime minister did nothing to prevent an orderly transfer of power.

Yesterday's ceremony at Government House in Canberra was also a just reward for the new prime minister, Mr. John Howard, who proved that perseverance and hard work can overcome apparently terminal political setbacks. Mr. Howard overcame more than his fair share of obstacles on his long road to The Lodge [official residence of Australian prime minister] and deserves to be prime minister. The AUSTRALIAN FINANCIAL REVIEW wishes him well.

Probably the main regret this newspaper holds — one Mr. Howard may well share — is the way in which the coalition's determination to win office resulted in a policy profile which was both overly cautious and disappointly profligate. With the benefit of hindsight it is fairly clear that the coalition would have won even if it had put forward a much more austere and radical set of policies. Not as radical, perhaps, as that presented in 1993 by the Liberal Party's former Leader, Dr. John Hewson, but much closer to the Hewson model than the program presented by Mr. Howard.

Yet while this has clearly been a lost opportunity there is also no doubt that the size of Mr. Howard's victory has delivered him the sort of powerful mandate for change which comes only infrequently in political life.

Of all Mr. Howard's policy commitments there is no question that his policies for overhauling the labour market are the centrepiece of his government's reform agenda. These, in turn, are closely linked with its commitment to reforming Australia's still highly inefficient waterfront and shipping industry, including the abolition of the quite unnecessary system of cabotage.

These are huge tasks which will require an unequivocal commitment to deliver on the coalition's election promises. Not only will the new government have to deal with very determined opposition from many trade unions, it will also have to show great resolve when dealing with the Senate.

As this newspaper has argued previously, it is the coalition which has the mandate to govern, not the minority parties in the Senate. Mr. Howard, as prime minister, needs to make it absolutely plain that obstruction from the Senate preventing the passage of legislation implementing the government's industrial relations reform won't be tolerated. It should, in fact, make it plain that such action would ultimately leave him no choice but to call a double dissolution.

The threat of such action should be sufficient to bring the Australian Democrats, with its tiny voter support, into line. If it isn't, and a double dissolution is necessary, it would be the Democrats who would suffer, not the coalition.

Yet while labour-market reform should be the new government's top priority, it should not lose sight of the need to plan for its second term in office, something it will almost certainly get. Here the priority should be to lay the policy groundwork for that other crucial area of reform—taxation. Only by making a major effort to set the tax agenda now will there be the scope to convince the electorate in three years' time of the vital need for change.

Australia, in particular, needs to shift from its excessive focus on taxing income to a system which puts much more emphasis on taxing spending. Ideally this should involve the introduction of a full- scale consumption tax. At the very least it should include a move to taxing such services as restaurant meals and hotel accommodation, in the process opening up the scope to reduce income tax.

If, over the next three years, Mr. Howard successfully resurrects the tax debate, in the process convincing Australians of the need for change, it will be a major achievement. At the very least, it should leave the Howard Government with a much more manageable fiscal challenge than the one it is now facing.

Australia: New Treasurer Revises Budget Deficit

BK1203040396 Melbourne Radio Australia in English 0100 GMT 12 Mar 96

[FBIS Transcribed Text] Australia's new treasurer, Peter Costello, has released revised federal budget estimates. The revised estimates show a $3.7 billion [Australian dollars] deficit for the 1996-97 financial year, compared to the Labor Party government's prediction of a $2.5 billion surplus.

Mr. Costello promises to bring the budget back to surplus by 1977-98 financial year, while still keeping the coalition's election promises. He says the budget deficit will be cut by $3 billion for the next financial year, mainly through spending cuts. Mr. Costello says the deficit is a product of Labor's decisions, mismanagement, and deceit.

[Begin Costello recording] These figures are a damning indictment of its fiscal record. Labor knew this and sought to hide it, but today's announcement exposes

Labor's deceit during the federal election campaign. It refused to release updated estimates for 1996-97 and repeatedly reaffirmed the May 1995 predictions. [end recording]

Australia: Treasurer Explains Medium-Term Fiscal Strategy

BK1303051296 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 13 Feb 96

[Report by Tom Burton and Stephen Ellis — received via Internet]

[FBIS Transcribed Text] Cabinet's expenditure review committee will begin work immediately to carve $8 billion [Australian dollars] off the budget over two years, after treasury yesterday confirmed a $7 billion deterioration in the Commonwealth's 1996-97 fiscal position.

The treasurer, Mr. Peter Costello, unveiled a medium-term fiscal strategy to restore Canberra's underlying budget to surplus in 1998- 99 - a year slower than previous official estimates had claimed.

"This will involve taking measures to reduce the budget deficit by $4 billion in 1996-97 and a further $4 billion in 1997-98," Mr. Costello said.

The government also froze initiatives announced by Labor after the 1995-96 Budget and before the March 2 poll, covering areas such as housing, innovation and employment. Mr. Costello said these programs would be among the first to face scrutiny.

He also announced the Coalition's promised National Commission of Audit, which will investigate the financial position of the Commonwealth Government and advise it on fiscal management.

Investors reacted positively to the Government's commitment to bring the budget into balance, with the Australian dollar trading higher from U.S.76.76c to US76.89c and the bond market firmer.

After falling 18 basis points ahead of the treasurer's announcement on the back of an overnight turnaround in the U.S. market, long-term interest rates continued to fall after the budget news. Ten-year Commonwealth bond yields closed 25 basis points lower.

The new figures showed that the underlying deficit had deteriorated from $6.7 billion to $9 billion for this year's Budget and from $0.6 billion to $7.6 billion in 1996-97.

Despite the fiscal deterioration, Mr. Costello said the government would not breach its election commitments, which will cost about $7 billion over the next three years. "We will achieve this objective within the framework of meeting our election commitments," he said.

Mr. Costello also reaffirmed his pledge not to lift taxes or introduce new taxes, but left open the possibility of correcting anomalies in the tax system and cracking down on blatant tax avoidance and evasion. The cuts he is aiming to achieve are on par with the savings achieved in Mr. John Dawkins' 1993 Budget and the two big cuts to outlays in the 1986 Budget and May 1987 economic statement undertaken by the then-treasurer, Mr. Paul Keating.

Mr. Costello said the expenditure review committee, chaired by the prime minister Mr. John Howard, would begin work immediately to identify savings.

He also said Treasury had advised the expected $800 million from a crackdown on use of trusts would not now be available until 1998- 99, a year later than the former government had hoped.

Mr. Costello said the government had considered, and rejected, a mini-budget. "It's preferable to do this in a considered, exhaustive way," he said.

He ruled out any cuts in general assistance to the states, but hinted specific-purpose assistance [which covers areas such as hospitals, roads, housing and education] could take some of the burden.

"We will be looking at the Commonwealth side of the equation, and that's where the savings will be coming — we'll be looking at specific-purpose payments, yes, but it is not our intention to make the States take the pain in relation to general assistance," he said.

The coalition has ruled out cuts to transfer payments [pensions and other benefits], defense spending, Commonwealth spending on schools, and aggregate outlays on labour market programs and training.

Most of the deterioration in the fiscal position was fueled by slower growth and other changes in economic variables, which add an aggregate $27 billion to the budget deficit from the current 1995-96 financial year to 1998-99.

Policy decisions made by the former Labor government add only $2 billion to the deficit over that period.

Treasury cautioned the budget projections were sensitive to key economic assumptions and that "revenue estimates for the outyears are typically subject to substantial revision and should be treated with considerable caution."

It said its economic projections "represent a realistic scenario of possible economic developments".

Despite Treasury's caution, Mr. Costello used the new budget numbers to attack the credibility of the former government and the likely leader of the opposition, former minister for finance, Mr. Kim Beazley.

"These figures give you a good idea of why Labor was so strident in its refusal to release updated budget data during the election campaign," Mr. Costello said, quoting statements by outgoing Labor ministers made before March 2 claiming the 1996-97 outlook was for a surplus. "He [Mr Beazley] failed and failed dismally. He was the weakest finance minister this nation has ever had."

Mr. Beazley dismissed the revised figures. "The figures are almost wholly a product of what I call, in the jargon, parameter changes," he said. "The Treasury now has different growth estimates to the growth estimates they gave us when we did the last budget."

Australia: Editorial Urges Spending Cuts To Balance Budget

BK1303053396 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 13 Mar 96

[Editorial: "Cuts Are the Way, Not Taxes" — received via internet]

[FBIS Transcribed Text] The treasurer, Mr. Peter Costello, painted a pretty black fiscal picture for the federal budget yesterday—blacker, even, than the bulk of private-sector forecasters had been predicting. No doubt part of this is simply good politics. By publishing Treasury forecasts pointing to a $7.6 billion underlying budget deficit for 1996-97 Mr. Costello has helped lay the groundwork for a major cost-cutting assault. What's more, the bigger the forecast deficit the easier it will be to produce a more favourable outcome.

Yet whatever the politics of yesterday's statement by the new treasurer, the fact remains that the federal government, while inheriting a relatively promising economic outlook, has to deal with a grimmer budget bottom line than that portrayed by the official forecasts publicly available during the election.

Not that Mr. Costello would have accepted the earlier official outlook at face value. His high-profile efforts to get the previous government to release updated forecasts, as well as the availability of a range of bleak private-sector predictions, suggest the coalition was well aware that the outlook for the federal budget was much less encouraging than the relatively benign picture painted by the previous treasurer, Mr. Ralph Willis.

Given this, the coalition should have shown a great deal more spending restraint during the election campaign. Its promise of new initiatives costing $6.8 billion over the next three years simply shouldn't have been made. If it hadn't been, the accompanying program of spending cuts, calculated by the coalition to be worth $6.3 billion, would have come straight off the bottom line rather than being swallowed up in helping to offset the cost of its new initiatives.

As Mr. Costello noted, the deficit forecasts, while taking account of commitments made by the previous government before the election campaign, do not include the cost of the coalition's promises made during the campaign.

He did so at the same time that he committed the federal government to returning the budget to an underlying balance in 1997-98. This goal, he said, would be achieved by cutting the defict by $4 billion next year and $4 billion the year after.

On balance this deficit-reduction strategy is sensible and should be applauded. If anything, it is not ambitious enough, especially when account is taken of the possibility that, as noted, the deficit forecasts released yesterday may be overly gloomy — a possibility suggested, in particular, by the fact the economy is forecast to grow at a healthy 3.25 per cent a year for the next three years.

The best aspect of Mr. Costello's plans to cut the deficit is the way this goal will, as he said, "occur overwhelmingly through expenditure reductions".

And so it should. The scope for cutting outlays is enormous.

If the proposed National Commission of Audit does its job properly it should quickly identify a whole swag of ways to get a lot more out of the federal bureaucracy for a lot less. At the same time the Finance Department, with Mr. John Fahey as its minister, will be judged a failure if it can't identify programs which are wasteful, untargeted and so ripe for cutting.

As for the revenue side of the equation, the treasurer's observation that there "will also be some contribution from revenue measures including addressing anomalies and continued action against tax evasion and blatant tax avoidance" should signal no more than a very minor dependence on raising more money. Any attempt by the new government to tax its way to a better budget outcome should be rejected.

This is not the same, however, as saying there shouldn't be a great deal of attention directed at reassessing the composition of the revenue which is raised by the federal government.

On the contrary, there is an urgent need for tax reform in Australia. This should be aimed at shifting some of the burden from income tax to taxing spending, including spending on services. Achieving this change should be one of Mr. Costello's main long-term goals.

Australia: New Satellite Stations Boost Army Operations

BK0403084996 Melbourne Radio Australia in English 0500 GMT 4 Mar 96

[FBIS Transcribed Text] Operations of the Australian Army in Brisbane have received a major boost with the addition of five new satellite stations. Gabriel (Corsa) reports that the communications units have been unveiled at the ([illegible]augara) Army Base.

[Begin (Corsa) recording] The portable parakeet air stations will be used to link up with others around Australia and with the strategic network (?that's) capable of sending 15 different signals simultaneously to any location in Australia and can also transmit voice, fax, video, and personal computer materials. The stations which are made in Adelaide by British Aerospace will be amounted on the back of Land Rovers allowing them to operate in all types of terrain. The Army says that will be a quantum leap into the next century for satellite communications. [end recording]

Fiji

Fiji: Foreign Minister Welcomes New Australian Government

BK0403080396 Melbourne Radio Australia in English 0500 GMT 4 Mar 96

[FBIS Transcribed Text] Fiji's foreign affairs minister, Filipe Bole, says the win in the Australian election to the coalition of the Liberal and National parties is excellent for his country and the region. He expressed hope that the relationship between Fiji and Australia would strengthen under the new prime minister, John Howard. Mr. M. Bole [name as heard] said he hoped that under the new leadership there would be an improvement in trade between Fiji and Australia. He said that, in particular, Fiji hoped that there could be a settlement of outstanding differences under the South Pacific Area Regional Trade and Economic Cooperation Agreement.

Fijian Association Party Leader Josefata Kamikamika also welcomed the new Australian Government. He said Australians have expressed the need for change and his party have to develop a better relationship with Mr. Howard and his new government.

Fiji: SVT Party Retains Majority in Parliament

BK1003101696 Melbourne Radio Australia in English 0500 GMT 10 Mar 96

[FBIS Transcribed Text] The SVT [Soqosoqo ni Vakavulewa ni Taukei or Fijian Political Party] Party of the Fijian Prime Minister Sitiveni Rabuka has retained its Tailevu seat in a closely fought by-election. SVT candidate (Ratu Manasa Senaloli) beat Fijian Association Party Leader and former Finance Minister Josefata Kamikamica by 969 votes to hold the seat. Mr. (Senaloli) won the seat six months ago, but was declared ineligible in a High Court judgment shortly after. The SVT win means that Mr. Rabuka retains his four-seat majority in the House of Representatives, where his coalition government holds 37 seats to the opposition's 33. Observers say the win also shows a considerable hold traditional values and influences still have over ethnic Fijians in rural areas, since Mr. (Senaloli) is a high chief in the area.

Fiji: Rabuka Stresses Potential for Mineral Exploration

BK0503064996 Melbourne Radio Australia in English 0500 GMT 5 Mar 96

[FBIS Transcribed Text] Fiji's prime minister, Sitiveni Rabuka, says there is huge potential for oil and mineral exploration in Fiji. Mr. Rabuka says the government is concentrating on attracting capital investment, technology, and expertise to tap the country's natural resources.

Mr. Rabuka's comments came as a high-level delegation left Fiji to attend the annual conference of the Canadian Prospectors and Developers Association in Toronto. The conference is a major international gathering of mining and exploration interests, geologists, engineers, and investors. The Fiji delegation includes the ministers for finance, mineral resources, and commerce and industry. The decision to send the delegation to Canada follows a tour of Australia last year by a Fiji investment promotion group.

New Zealand

New Zealand: U.S. Cancels Supply Drops for Antarctic Personnel

BK1103063396 Christchurch THE PRESS in English 6 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] About 270 personnel wintering over in Antarctica will go without their usual mid-winter air drops. They have been cancelled as a result of United States Federal budget cuts.

The two drops are normally flown in June by US Air Force Starlifter transports refuelled in the air by KC10 tankers. The drops, at McMurdo Station and the South Pole, supplied US and New Zealand personnel with fresh produce, mail, and videotapes.

A spokesman for Operation Deep Freeze, Petty Officer Dave Lippman, said three-quarters of the $US1m [million] cost of the missions had been covered by the USAF training budget.

The National Science Foundation, which operates the US Antarctic Programme, could not afford to cover the full cost.

"The winter-over personnel are in no danger because they have been provided with more than enough supplies to see them through until the Winfly missions in August," he said.

It was known in advance that the drop might be cancelled, and staff had been told before they left for the ice that it was unlikely to go ahead.

A New Zealand Antarctic Programme spokesman, Tim Higham, said that in the past New Zealanders on the ice had relied on the supplies.

"We knew this might happen and we sent extra supplies down there in the last of the summer flights. They have hydroponics, so will get plenty of fresh vegetables," he said. Staff have telephone, fax, and e-mail facilities.

There was still a little sunlight in Antarctica, but soon staff would be without sun until August.

McMurdo Station has 236 staff, the South Pole base 26, and Scott Base 13.

The Winfly support missions in August will bring in men and supplies to get the bases ready for summer operations.

New Zealand: Prime Minister Views Australian Election Outcome

BK1103061896 Christchurch THE PRESS in English 4 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Liberal-National Coalition in Australia could breathe new life into the trans-Tasman relationship, suggests Prime Minister Jim Bolger.

He yesterday welcomed the result of the Australian election, in which a party perceived as more pro-market — the Liberal-National Coalition under John Howard — took office from Labor after 13 years.

Mr Bolger, who hopes to pay an early visit to Australia, said it was too early to tell what economic changes the incoming Government would make. He had spoken to Mr Howard briefly to congratulate him on his win.

The Labor Government under Paul Keating is widely regarded to have placed a low priority on trans-Tasman issues.

Mr Bolger said the Liberal Party, by contrast, had emphasised the importance it placed on a closer relationship. He hoped advances would be possible on harmonising company and taxation law, and trans-Tasman shipping.

He expected the Coalition Government would want to revisit the Labor Government's 1994 decision to can an open-skies agreement giving Air NZ [New Zealand] access to domestic routes in Australia.

The Liberals took the view that greater competition would be good for the Australian traveller. "I would look forward to that issue being put on an early agenda and being resolved relatively quickly," Mr Bolger said.

Labour leader Helen Clark said the new Government may move to impose tighter fiscal policy and deregulate labour markets. Any upheaval flowing from these could hurt New Zealand exporters.

The chief executive of the Canterbury Manufacturers' Chamber of Commerce, Peter Townsend, said any short-term disruption would be worth it if Australia opened further its markets, especially labour and transport.

The chief executive of the Canterbury Manufacturers' Association, Michael Hannah, said the scale of Mr Howard's victory might give his Government the courage to tackle union power in these areas.

He said the weakness of the Australian dollar over the past 12 months had made it harder for local exporters to sell goods. In the long term he expected the health of the Australian economy, and the strength of its dollar, would improve.

A stronger, rather than a weaker, economy, was ultimately in New Zealand's interests, as it ensured the long-term survival of its export markets.

Canterbury firms would like to see the rules-of-origin issue addressed, whereby exporters have to meet a 50 per cent local- content rule to take advantage of lower tariffs under CER [Closer Economic Relations]. Mr Hannah said that as technology improved, the imported content of goods grew. Firms wanted the threshold lowered to 40 per cent. Commenting on Labor's defeat, Mr Bolger said he doubted the "incumbency" factor would count against his Government in this year's election. National had been in power only six years compared with Labor's 13, and had showed it could manage well the transition to MMP [mixed member proportional electoral system]. Ms Clark, however, said Mr Bolger would be unwise to take heart from the result. "In New Zealand, he is the incumbent with the poor record to defend."

New Zealand: Strain in Relations With Cook Islands Noted

BK1103072496 Christchurch THE PRESS in English 5 Mar 96

[Editorial: "Dealing With the Cooks" — received via Internet]

[FBIS Transcribed Text] Linking the Winebox inquiry [scandal involving questionable financial dealings in the Cook Islands] to a financial bail-out of the Cook Islands is tempting. The leverage would be useful, and popular in New Zealand. The Cooks are unwilling to disclose anything, if they can get away with it. Add to that the clear intention of the Cooks to deny New Zealand millions of dollars, and the case for not treating the islands with kid gloves is strong. Yet New Zealand twisting the arm of the Cooks would be noted by all South Pacific countries and would complicate our relations with them. Don McKinnon, the Foreign Minister, is sensible when he rules out making an overt link between Winebox co- operation and a bail-out. He should continue to resist the calls, including some from within his own party, to make the link.

The difference in size between the Cooks and New Zealand is another reason for caution. The Cooks are a handful of islands occupying 240 square kilometres with a population of 20,000. Like many Pacific island states, they are highly vulnerable. Tropical fruits, clothing, handcrafts, and black pearls are its main exports. Constitutionally the Cooks are self-governing in free association with New Zealand. New Zealand has responsibilities for defence and foreign affairs but chooses to exercise them in consultation with the Rarotonga Government. Cook Islanders are New Zealand citizens and may move freely to New Zealand; nearly twice as many as now remain in the Cook Islands have done so.

A group of islands with a scattered population no bigger than a New Zealand town exercising many of the rights of a nation-state has something farcical about it. The same can said even more emphatically about Niue, with its population of 2400. Historical relationships explain much of how this came about. The Cooks became self-governing in 1965, when decolonisation was a strong international issue. The arrangement between New Zealand and the Cooks has been looked at as an admirable model by several countries. Niue chose the same sort of self-governing option in free association with New Zealand in 1974. The question, though, remains: was the best option chosen for the Cooks and Niue? The dilemma is that the populations of the islands want a form of government that suits them. They want to retain traditions and not to be incorporated into New Zealand. New Zealand resists forcing its own preferences on others. Given the chance to revisit the choice, it is difficult to see — farce or no farce — what else could have been done.

The Cook Islands farce is compounded by the country's financial mess. The picture of the tiny Cooks reeling under debt, having a public service deliberately swollen to provide jobs, and being very dependent on New Zealand and other aid donors, is not reassuring. The resolution from his own party that the Prime Minister should resign, but without a new election because the Cooks cannot afford one, seems good material for the theatre of the absurd. The Cooks borrowed heavily for two projects, a hotel and a cultural centre, and both seem stalled. New Zealand is applying pressure to get the Cooks' financial house in order, which is probably more productive than trying to link the Winebox inquiry and a bail-out.

Yet the farcical aspect is only part of the story. A reasonable case can be made for saying that the Cooks have sought to be among the more entrepreneurial of the South Pacific island countries. Included have been some hairy schemes to get rich quickly, and the tax haven venture is among them, but the Cooks have developed a solid black pearl industry. Even in the weird loops at the heart of the tax schemes, the Cook Islands did not get a big rake-off. The schemes were not dreamt up by the Cooks but by New Zealand lawyers and accountants.

If the islands wanted complete independence, New Zealand would probably not object. Severance is unlikely: Cook Islanders want to retain their open access to New Zealand and no Rarotonga administration would dare remove that from them. The danger in the close association between the two nations is that New Zealand is probably the only country that will bail them out. Also, there is the danger that some of the Cooks' bad reputation will rub off on New Zealand.

Mr McKinnon has made it clear that New Zealand is displeased about the Winebox affair. The affair cannot fail to affect the over-all relationship, and will inevitably cause implicit pressure in this financial crisis. Wellington is wise not to make it explicit.

New Zealand: Editorial Frowns on Attempts To Censor Internet

BK1103073096 Christchurch THE PRESS in English 9 Mar 96

[Editorial: "Censoring the Net" — received via Internet]

[FBIS Transcribed Text] The Internet's would-be censors are everywhere. Yet attempts to crack down on the naughty and nasty bits of the world-wide computer system seem unlikely to greatly trouble the enthusiasts of cyberspace. Several countries' latest efforts to stop the free flow of Internet information of whatever kind have highlighted only their impotence in trying to restrict it.

The Germans are looking at whether such services as America Online can be held responsible for the racist and sexually explicit material that users may place on their network. German authorities want to make it impossible to download child pornography and neo-Nazi diatribes such as that by Ernst Zuendel, of Toronto, whose article, "Did Six Million Really Die?", is illegal in Germany but freely available on the Net. Prosecutors are also investigating CompuServe, as well as T-Online, the Internet service of the German telecommunications giant, Deutsche Telekom. The German Minister of Research and Technology, Juergen Ruettgers, puts his Government's attitude bluntly: "We cannot tolerate a situation in which anything goes." He suggested that the Group of Seven take up the issue. Meanwhile, the European Commission has set up a commission on racism and xenophobia. Its first task will be to try to prevent the Net from becoming a vehicle for incitement to racial hatred.

Software firms say they share international disquiet about minors' exposure to the Net's sex and violence. Among the first to exploit its concern was Microsoft Corp which will offer a program to help parents monitor their children's getting to the uglier of the Net's offerings. Available for no charge for the first year, the system "provides objective, detailed information about the content of an Internet site, based on the levels of sex, nudity, violence and offensive language located within that site." It is then up to parents to decide what access they will allow.

The Net, with its Western media and consumer products, is also said to pose a serious challenge for non-Western cultures. Some, like Singapore, have sought to counter such influence by having a big State presence on the Net. Others, like Vietnam and China, would rather try to play tough. China has just issued new rules under which it hopes to ban Net reception of pornography and political content.

For all their efforts, governments are unlikely to stop the Net's shabbier side. Nicholas Negroponte, founder of the Massachusetts Institute of Technology's media laboratory, says the Net cannot be regulated. "Cyberlaw is by its nature global and we're not very good at global law." That has not stopped the Unesco director- general, Federico Mayor, calling for a global agreement which would protect the rights of writers and artists whose work appears on the Net. Those rights are at risk when, for example, a creative work is posted on the Net, enabling anyone to copy it freely. New law is also on the agenda in the United States. A coalition which includes America Online, Apple, CompuServe, Prodigy, Microsoft, and the American Society of Newspaper Editors wants the Net covered by redefined publishing law and not the more stringent law applied to broadcasting. It argues that access to the Net is more like choosing to read a newspaper or a book than to watch a TV or radio programme.

Because the Net has become the latest censorship battleground, some who do not use it see it as an amoral monster. Not so. What the censorious ignore, but users know well, is the sheer difficulty of finding anything on the Net that is particularly salacious or disturbing. Users do not just stumble upon the worst of its offerings. Those with intent will anyway reach what they want, much as they do in a New Zealand video store. What counts ultimately with new technology, as with old, is the personal responsibility of choice. That should not be abrogated. Once permitted, censorship has a habit of extending its tentacles. Whether on the Net or elsewhere, it is not an octopus to be encouraged.

Papua New Guinea

Papua New Guinea Prime Minister: Countries Destroyed by World Bank

BK0203101896 Melbourne Radio Australia in English 0500 GMT 2 Mar 96

[FBIS Transcribed Text] In the latest development in the breakdown in relations between Papua New Guinea [PNG] and the World Bank, Prime Minister Sir Julius Chan says he will not allow World Bank officials to intimidate PNG negotiators. Sir Julius Chan described as regrettable the event leading to the departure of the World Bank mission from PNG on Wednesday. The mission leader was given a letter telling him his mood swings and attitude made further negotiations pointless and the future talks will be held directly with the World Bank's Washington Headquarters. However, Sir Julius denied that this amounted to a direction to the mission to leave Port Moresby. Asked at a news conference, if PNG had alternative sources for loans if the World

Bank refused to deliver on the second part of a structural adjustment program, Sir Julius criticized the bank's record.

[Begin Chan recording] World Bank, in fact, has destroyed many countries. One thing you can take from me is this that I won't allow them to destroy Papua New Guinea. That is why, we will not, and as the prime minister of PNG, I will not allow the officials to intimidate our own negotiators at what we consider to be justifiable level of negotiation. [end recording]

Papua New Guinea: Chan Congratulates Australia's Howard

BK0303121096 Melbourne Radio Australia in English 0700 GMT 3 Mar 96

[FBIS Transcribed Text] Papua New Guinea's [PNG] prime minister has congratulated John Howard over his election victory saying he welcomes the Coalition intention to give, what Sir Julius Chan called, more balanced treatment to Australia-PNG relations. Sir Julius regards the proposed abolition of the Development Cooperation Pacific Affairs as a positive move. The portfolio was held by Gordon Bilney who lost his seat in yesterday's election. Sean Dorney reports from Port Moresby:

[Begin Dorney recording] Sir Julius Chan has sent personal messages to both John Howard and Paul Keating describing Mr. Keating as a man with a definite broad vision for his country but his letter to the incoming prime minister is awesome, congratulating Mr. Howard on a decisive victory. Sir Julius says his government appreciates the clear statement of the Coalition policy towards PNG during the election campaign and that abolishing the Pacific Affairs Ministry would be a back into the main stream of Australia's foreign affairs. Sir Julius claims this will provide more balanced treatment and PNG could only benefit. The outgoing Australian Government was fully behind World Bank demands for tougher economic reform in PNG. [end recording]

Papua New Guinea: Policeman Killed by Bougainville Separatists

BK0503064096 Melbourne Radio Australia in English 0500 GMT 5 Mar 96

[FBIS Transcribed Text] A young Papua New Guinea policeman has become the latest victim of an attack by separatist rebels on the island of Bougainville. He was shot dead when rebels ambushed a group of policemen at Siara junction early Sunday morning. Senior police have expressed concern at the killing as the closest to have occurred to Buka Island in four years and represent a new push by the rebels into northern Bougainville.

Papua New Guinea: Rebel Attack Leaves 3 Dead in Bougainville

BK1303063196 Melbourne Radio Australia in English 0500 GMT 13 Mar 96

[FBIS Transcribed Text] Security Forces on the troubled Papua New Guinea island of Bougainville say two policemen and a soldier have been killed in a clash with separatist rebels off the coast. Four other members of the Security Forces are said to be missing but there are no indication if there were any rebel casualties.

The clash is said to have occurred on Monday as a boat containing Bougainville Revolutionary Army fighters headed for the northern island of Buka, Bougainville's administrative center. Authorities say the rebels fired on the Security Forces vessel with high-powered weapons killing a soldier and policeman instantly and eventually sinking their boat. A body of a second police officer was later recovered from the sea. Extra police is said to be on a standby to fly into Buka as soon as possible to boost security force numbers.

Western Samoa

Western Samoa: Tofilau Flown to New Zealand for Medical Check

BK1303010596 Hong Kong AFP in English 2010 GMT 12 Mar 96

[FBIS Transcribed Text] APIA, March 13 (AFP) — Western Samoa's Prime Minister Tofilau Eti Alesana was flown to New Zealand Tuesday morning for a medical check of his heart, a National Hospital spokesman said.

The 71—year-old takes regular medication for a heart problem since undergoing a by-pass operation.

Tofilau was Sunday rushed by helicopter to the National Hospital here from his home on Savai'i.

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